certified according to:

- IATF 16949: 2016
- ISO 14001: 2015
- ISO/TS 22163: 2017
- · ISO 9001: 2015

Krüger & Gothe GmbH • Atzendorfer Str. 19 • D - 39418 Staßfurt • Germany

General Purchasing Conditions of Krüger & Gothe GmbH

I. General provisions

All offers, deliveries, services and resulting contract conclusions addressed to KuG are exclusively based on these General Terms and Conditions of Purchase (AEB). The contractual partners (hereinafter referred to as suppliers) are bound by these General Terms and Conditions of Purchase of KuG. Deviating and/or supplementary terms and conditions of the suppliers are not binding for KuG, unless KuG has agreed to them in writing. Such possible individual deviating agreements have no effect on future business. Conflicting terms and conditions of sale on the part of suppliers do not apply, even if KuG does not contradict them in individual cases. With the acceptance of the orders by KuG or the conclusion of supply contracts, the suppliers recognize these terms and conditions of KuG as binding.

II. placing of order / acceptance of order

Orders of KuG must be placed in writing or electronically (fax or e-mail) to be effective. All offers of the suppliers should correspond to the exact inquiries and requirements of KuG and are free of charge and non-binding. If an order of KuG is incomplete or incorrect, the supplier must inform KuG immediately after discovery. Deviations from KuG's order are to be clearly marked by the supplier with the acceptance of the order and are considered in doubt as a new offer by the supplier to KuG, whereby a supply contract is only concluded with the written confirmation by KuG of this offer by the supplier. KuG is entitled to revoke orders in writing free of charge if the suppliers do not confirm them in writing within 5 working days. Delivery schedules become binding if the supplier does not object immediately.

III. prices / payment

The prices shown in the orders of KuG are binding. Additional costs or subsequently arising costs and increased prices are only effective if KuG agrees to them explicitly in writing. The suppliers are obligated to indicate the order number, the article number of KuG and the designation of the article in the deliveries, whereby payments of KuG are made by bank transfer and after complete delivery and receipt of invoice within the agreed upon payment terms, at the latest however after 60 days. To the legal extent, KuG is entitled to set-off and retention rights against payment claims of the suppliers.

IV. Delivery / delivery period / delay

The deadlines for deliveries agreed in the order are binding. The supplier must inform KuG immediately in case of delays. If the supplier defaults on agreed delivery dates, KuG is entitled to the legal warranty rights, which in addition to the right to termination of the contract and compensation for damages, also provide the possibility of substitute performance at the expense of the supplier. If the supplier defaults on delivery in whole or in part, this entitles KuG to demand a contractual penalty of 0.2 % of the delivery value per working day of delay, but no more than 5%, as contractual penalty. These rights of KuG exist independently of the supplier's fault.

V. Shipping / Transfer of Risk

Subject to individual agreements between KuG and the supplier, KuG reserves the right to determine the type of shipping and packaging as well as the choice of the means of transport for the delivery, whereby the supplier must bear the shipping and packaging costs and must also ensure the return and recycling of the transport packaging free of charge. The supplier bears the risk of accidental loss until acceptance of the delivery by KuG at the destination.

electronic products and service

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VI. reservation of title

In principle, the supplier can only assert a simple reservation of title, unless KuG has accepted further rights in favour of the supplier in writing. In favour of KuG, the extended reservation of title applies to material provided to the supplier, i.e. even if the provided goods subject to reservation of title are processed or mixed with other objects not belonging to KuG, KuG immediately acquires co-ownership of the newly produced object in the ratio of the value of the provided goods subject to reservation of title to the processed and/or mixed objects at the time of processing/mixing.

VII. Sanctions and Trade Restrictions

The supplier confirms that all goods, services, or technologies delivered or provided under this agreement comply with applicable EU sanctions and regulations concerning Russia, specifically Regulation (EU) No. 833/2014. The supplier assures that no products, technologies, or services are provided that violate the prohibitions of this regulation, particularly:

- arms and dual-use goods that could be used for military or civilian purposes, provided such goods do not originate from Russia,
- specific energy-related goods for use in the Russian energy industry, provided they do not originate from Russia,
- services involving auditing, tax consulting, or business consulting that could support Russian enterprises,
- investments or financing directly or indirectly benefiting the Russian economy, as specified in Article 3g of the regulation.

The supplier is obligated to document and maintain all necessary permits and licenses. If any delivery or service is affected by EU sanctions, the supplier will inform the buyer immediately. The contractual relationship remains unaffected; however, any claims for damages are reserved.

VIII. Right of Termination

If the supplier violates the above provisions, the buyer reserves the right to terminate the contract without notice and assert any claims for damages.

XI. Confidentiality

The supplier is obliged to maintain comprehensive and strict confidentiality. Only after prior written confirmation by KuG, the supplier may pass on documents or other information (especially illustrations, drawings, internal KuG information, etc.) to third parties. The obligation to secrecy also continues after the end of the contractual relationship with the supplier. The supplier is obligated to enforce confidentiality in favor of KuG in the same manner with any subcontractors he may consult. Production resources, samples as well as confidential information of any kind, which KuG makes available to the supplier, may only be passed on to third parties with prior written permission from KuG.

X. Liability for defects

Acceptance of the goods is subject to inspection for completeness, correctness and compliance with the warranted characteristics and freedom from defects. Defects, regardless of the time of detection, will be complained about by KuG promptly after detection, whereby the supplier for his part waives the objection of a delayed notice of defects. The supplier is liable according to the legal regulations. KuG then has the right to choose between immediate rectification of defects or subsequent delivery of the defective goods by the supplier, or withdrawal from the contract and the assertion of claims for damages. Payments made by KuG to the suppliers shall under no circumstances imply acceptance or acknowledgement of defects. When third parties assert claims for material and legal defects with respect to the supplier's deliveries, the supplier

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must fully indemnify KuG from such claims. In the case of hidden defects, the supplier is obligated to reimburse the useless expenditure or material costs. The costs and risk of the return shipment shall be borne by the supplier.

Culpable breaches of duty on the part of the supplier beyond this entitle KuG to assert consequential damages resulting from defects (i.e. damages that KuG suffers to other legal assets due to the defective delivery).

The supplier undertakes to maintain a product liability insurance with a coverage of at least EUR 3,000,000.00 per personal injury/property damage - lump sum - for the entire duration of the contractual relationship.

XI. Property Rights

The supplier shall be liable for claims which arise from the use of the delivered goods due to the infringement of industrial property rights and applications for industrial property rights, whereby the industrial property right is either published in the supplier's home country or by the European Patent Office, Great Britain or the USA. In addition, KuG and KuG's end customers are released from all claims arising from the use of such property rights.

XII. Force Majeure

Force majeure, labour disputes or unrest, official measures and other unforeseeable and uncontrollable serious events release KuG for the duration of the disruptive event in full from the obligation to perform, whereby this also applies if KuG is already in default. In such a case KuG is obligated to inform the supplier about the disturbing event.

XIII. Final provisions

For all disputes in connection with the delivery of goods by suppliers, the registered office of KuG shall be the competent place of jurisdiction. KuG is, however, regardless of this, also entitled to assert its claims at the registered office of the supplier. Unless otherwise agreed in writing, the place of business of KuG is also the place of performance. In case of legal invalidity of individual provisions of these GPC, the validity of the remaining parts of the GPC shall not be affected. Such an invalid provision shall be replaced by a provision that comes closest to the intended economic purpose of KuG, as well as a possible loophole within the GPC of KuG.

All trade terms are subject to the DDP.

At the beginning of each cooperation with a supplier, KuG will hand over its AEB to the supplier once in written form, which can otherwise be viewed at any time on the KuG website (www.kug-ems.de).