

GENERAL TERMS AND CONDITIONS OF PURCHASE FOR PRODUCTION EQUIPMENT AND MACHINERY

Version 04/2019

Exclusively for use with business persons acting in the course of business when concluding the contract.

1. GENERAL INFORMATION

1.1. These terms and conditions shall apply exclusively to all works and deliveries of the contractor and/or any affiliated company of contractor (commonly or individually referred to as "Contractor") supplied to NORMA Group SE and/or its affiliated companies (commonly or individually referred to as "NORMA") in connection with production equipment, machinery, plants ("Machinery") and the related works or services.

1.2. Contractor's general terms and conditions or any other Contractor's contractual document shall not apply, irrespective of whether or not such terms and conditions are explicit rejected by NORMA. Any deviating terms and conditions shall only be binding upon written confirmation by NORMA. NORMA's unconditional acceptance of or payment for the Machinery shall not constitute acceptance of any deviating terms and conditions.

2. OBJECT OF THE PERFORMANCE

2.1. The requirements and the scope of the procurement of Machinery are based on the order or the contract for a Machinery ("Contract"). Unless otherwise agreed, the purchase of a Machinery includes the design, manufacture, delivery, installation and commissioning (including instruction, training and trial operation). During commissioning, the Contractor must set up the required interfaces to the upstream and downstream machines or production processes for the Machinery.

2.2. The scope of procurement of a Machinery also includes all documentation mentioned in the specifications, the legally required documentation as well as all documents required for acceptance, operation, maintenance and repair of the Machinery ("Documentation"). The Documentation includes, among other things, test reports,

factory certificates, drawings, calculations, plans, operating instructions, spare parts, spare parts lists and repair manuals. The Documentation must correspond to the actual design of the Machinery and must be brought up to date in the case of subsequent changes. The Contractor must deliver all documents in duplicate in electronic format on data carriers in standard format free of charge and in English language and the language of the ordering NORMA entity. The entire Documentation must be handed over no later than upon delivery. Any updated documents must be handed over immediately after a change has been made. For installation parts that can be procured according to lists or catalogs, the manufacturer's documentation must be handed over. The handing over of the Documentation includes the right to fully use, duplicate, and edit the Documentation.

2.3. No later than upon delivery of the Machinery, the Contractor shall (i) provide a declaration of conformity and affix the CE marking in accordance with the applicable laws (e.g. § 7 ProdSG), (ii) provide the customer with a risk analysis in accordance with the provisions of the Machinery Directive and (iii) deliver the Machinery in accordance with the applicable provisions (e.g. §§ 20ff ProdSG with the "GS mark" (GS = tested safety)), which was awarded by an accredited body. The Contractor shall also provide the customer with all documents to be submitted or to be handed over from this section 2.3 in digital form (for example as PDF).

2.4. The Machinery to be manufactured and assembled by the Contractor forms a complete and self-contained system, which is fully functional for its anticipated use fully complying with the required performance data. All components of a Machinery, which are necessary or useful for its function form part of the Contract of a Machinery, even if not specified.

3. PRICES AND PAYMENT TERMS

- 3.1 Unless otherwise agreed, the agreed price is a total net price DDP (according to Incoterms 2010) plus the statutory sales tax if applicable. The total price is a fixed price and includes all Machinery and all related performances and works to be provided by the Contractor, including but not limited to freight, loading costs, customs duties, insurance, packaging, assembly and installation, including construction site security and all ancillary construction costs, instruction and training, Documentation, commissioning, test run and acceptance as well as any Intellectual property rights, including related rights of use. Also included in the total price is the disposal of all materials and supplies, packaging, transport aids, etc. that have been brought to the factory premises of NORMA by the Contractor or his subcontractors, but which are no longer needed after acceptance.
- 3.2 Additional works not included in the Contract can only be invoiced if NORMA has submitted a supplementary offer for this purpose and a written order has been issued by the purchasing department of NORMA. NORMA's silence regarding offers, requests or verifications of the Contractor shall not be deemed as consent.
- 3.3 The Contractor must provide NORMA with proof of performance, that must be countersigned, for each service rendered. Invoices and payments are made solely on the basis of the submitted and countersigned proof of performance. The order number and date must be included on each proof of performance submitted by the Contractor for invoicing. The countersigning of the proof of performance and invoicing do not represent acceptance of the performance. If the service is not provided in accordance with the Contract, the customer is entitled to refuse the payment of a respective installment until the Contractor verifies the contractual performance.
- 3.4 The Contractor must provide all work equipment required for the performance of his services himself and at his own expense.
- 3.5 Payment is made within 60 days of receipt of a verifiable invoice in duplicate. The Contractor is required to indicate the purchase order number of the customer on the

invoice. Invoices that do not indicate the purchase order number can be rejected by NORMA. In no case does the provision of a partial payment indicate (partial) acceptance or waiver of claims.

- 3.6 For any agreed down payment, the Contractor shall provide NORMA with a non-recurring, indefinite, unconditional, directly enforceable and irrevocable bank guarantee in advance, waiving objections of contestability, possibility of offset and pre-litigation, from a credit institution acceptable to NORMA.
- 3.7 NORMA is entitled to refuse the payment of a respective installment, if the service is not rendered according to the Contract. NORMA is also entitled to withhold 5% of the remuneration (including VAT) from the final payment as security for the warranty period until the warranty expires.

4. CHANGES TO SCOPE OF MACHINERY AND PERFORMANCE

- 4.1 NORMA is entitled to demand changes to the scope of Machinery and the performance, in particular the specification, in writing at any time until final acceptance.
- 4.2 The Contractor is obligated to notify NORMA in writing of the feasibility and effects of the change request (e.g. price, completion deadlines, acceptance, interfaces) within 10 working days. If the expected expense is not insignificant, the Contractor is obligated to notify NORMA in writing of a change offer, stating the reasons and the calculation. Any additional or reduced costs must be based on previous calculations with respect to the agreed compensation arrangement. If no agreement is reached on a corresponding Contract adjustment within a reasonable time, NORMA is entitled to withdraw from the respective Contract.
- 4.3 For changes to the contractual Machinery and performance or to documents provided or approved by NORMA, the Contractor requires the prior written consent of NORMA. Additional costs and additional expenses, which may arise because of changes in the agreed service for which the Contractor is responsible, are not reimbursed. To the extent it may have an effect on the Machinery, the Contractor is obligated to inform

NORMA in writing without delay of new technical developments as well as new laws and proposed legislation.

5. SUBCONTRACTOR

5.1 The Contractor performs the works and services to be provided by himself, on his own responsibility and with his own personnel.

5.2 The Contractor is not entitled to assign the scope of Machinery and performance or parts thereof to third parties (subcontractors) without the prior written consent of NORMA. If NORMA grants written consent, the Contractor remains responsible for the performance of the Contract. Subcontractors are vicarious agents of the Contractor.

6. SCHEDULE

6.1 All deliveries and works or services are to be provided by the Contractor according to the schedule. This applies to the final date, as well as to all milestone, intermediate and completion dates. The Contractor is aware of the particular importance of meeting deadlines. The interest in the performance of the Contractor depends on the punctual performance. Unless explicitly stated otherwise, all agreed dates are fixed dates.

6.2 The Contractor will inform NORMA immediately in writing, stating the reasons and the expected period of the delay if it appears that the agreed deadlines cannot be met by the Contractor. The Contractor is obligated to take all precautions and measures at his own expense to ensure punctual performance of service if exceeding a deadline appears to be imminent. This includes increasing the number of specialist and auxiliary personnel and to work in several shifts. Any required approvals must be obtained by the Contractor himself. The Contractor will inform NORMA if additional measures are initiated and planned.

6.3 If the Contractor is in default with the final completion date or a milestone date, NORMA shall be entitled, regardless of its other legal rights, to charge the Contractor a penalty of 0.2% of the net settlement value for each new week of delay but no more than 5% of the net settlement amount. The Contractual penalty is added to any other additional claims for damages due to default.

6.4 The Contractor shall provide NORMA with a regular written and detailed report on the current status of the Machinery. NORMA shall be entitled, upon reasonable notice within normal business hours, to evaluate the progress of work on the Machinery and the Contractor must grant NORMA access to all documents relating to the Machinery.

6.5 Notwithstanding the rights of NORMA, in the event that the procurement or production of individual components is not possible on time, the Contractor is obligated upon first written request to issue the technical Documentation that enables NORMA, or third parties commissioned by it to reproduce the components.

7. WORK ON SITE

7.1 The Contractor shall carry out the work to be performed by himself with his own personnel and in accordance with the requirements agreed upon contractually. In doing so, he must familiarize himself with any applicable on site-specific regulations, methods, application practices, etc. that apply at the place of use and to observe them. The Contractor or his personnel are not subject to any instructions from NORMA regarding the way in which the work is provided. The Contractor or his personnel will not be integrated into the work organization of NORMA.

7.2 Work that must be carried out in the NORMA factory area may not impede operations unless unavoidable. The work process must be coordinated in a timely manner with the NORMA factory manager before starting work.

7.3 NORMA only assumes liability for the loss or damage of items brought into the factory area by the Contractor to the extent that these items are covered by its liability insurance. If the Contractor's employees suffer injuries at NORMA's business premises or on business trips and therefore assert claims against NORMA, the Contractor shall release NORMA from these claims to the extent this is legally permissible.

8. INSTRUCTION / TRAINING

The Contractor trains the personnel of NORMA in the local language of the production site so that proper oper-

ation of the Machinery is ensured. This includes the ability to independently commission/decommission, to configure, make ready for use and to maintain the Machinery. The NORMA service personnel shall be trained during the preliminary acceptance process by the Contractor; the NORMA on-site personnel shall be trained during the commissioning process but no later than before final acceptance. NORMA will designate the individuals who will receive instruction and training. The Contractor will carry out the training in a timely manner before final acceptance.

9. TEST RUN

9.1 Initial commissioning shall be carried out at the location of the Contractor after the production capability of the machinery/Machinery has been demonstrated and after the accompanying equipment has been provided. The take over report is not considered acceptance. Unless otherwise agreed, the contractually agreed or legally required Documentation must be handed over no later than at this time.

Once the Machinery is fully assembled and ready for operation, a test run must be immediately carried out to determine the functionality of the Machinery. The test run is coordinated by the Contractor, NORMA and the other companies involved. If the (test) run of the Machinery requires permits, approvals or certifications (e.g. by technical inspection associations, trade supervisory authorities or by trade associations), the Contractor must submit such permits, approvals or certifications no later than at the planned start of the test run.

9.2 During the test run, the Machinery is tested in accordance with the specifications under the supervision and responsibility of the Contractor. Damage caused during the test run of the Machinery shall be the responsibility of the Contractor, unless the Contractor proves that NORMA's operating personnel (instructed and trained by the Contractor) were grossly negligent by not observing operating instructions.

9.3 The start, execution or termination of the test run or any event or clarifications in connection with the test run

shall not constitute a transfer of risk, acceptance or commencement of the warranty period.

10. ACCEPTANCE

10.1 If after successful completion of the test run the Machinery proves to be free of defects, mutual acceptance shall take place. The Contractor notifies NORMA that the Machinery is ready for acceptance. This shall be followed by the acceptance tests according to the specifications. An acceptance report is then created, which must be signed by both parties. The acceptance report must include all defects identified during the acceptance procedure. NORMA reserves all rights at acceptance of the Machinery.

10.2 If minor defects are found that do not adversely affect the contractual function and possible use of the Machinery, the acceptance may be declared if the Contractor so requests committing to the immediate remedy of any defect, provided that the parties agree on a reasonable increase in the security deposit. If during the acceptance test defects are found that cannot be considered as minor, and therefore the acceptance test fails, the Contractor must do everything required to ensure a new acceptance test can be performed immediately but no later than within two calendar weeks.

10.3. A verbal acceptance or acceptance by conclusive action (e.g. commissioning of the Machinery, consent regarding drawings, calculations and other technical documents of the Contractor or suggestions and recommendations of the customer) is excluded. Intermediate or partial acceptance is also excluded. Initial commissioning after the production capability of the machinery/Machinery has been demonstrated at the location of the Contractor as part of the test run does not constitute intermediate or partial acceptance. Lack of refusal of acceptance by NORMA upon a deadline has been set by the Contractor will only constitute acceptance, if no defects are specified in the completion report or have been notified in any other manner to the Contractor (no fictitious acceptance).

10.4 Risk is only transferred to NORMA upon acceptance.

11. CLAIMS FOR DEFECTS

- 11.1 The Contractor guarantees that the Machinery complies with the requirements of the specification, is free of defects, in particular with respect to design, construction, material, manufacture and assembly/installation, and is fully functional and suitable for the intended use.
- 11.2 The Contractor also guarantees that the Machinery and the related works or services are implemented properly, that they comply with recognized state-of-the-art technology and the relevant legal provisions as well as the regulations and guidelines of the authorities, professional associations, trade associations and that the Documentation is complete and correct and also fully complies with the actual implementation of the Machinery and the related works or services.
- 11.3 Defects must be remedied by the Contractor within a reasonable grace period set at NORMA's discretion either by repair or re-manufacture. The associated costs, in particular transport, logistics, labor and material costs as well as costs for the replacement of components shall be borne by the Contractor.
- 11.4 If the Contractor fails to fulfill his obligation of subsequent performance within the period set or if the subsequent performance is not possible or refused by the Contractor, NORMA shall be entitled to remedy the defect itself at the expense and risk of the Contractor or have it remedied by third parties and to demand compensation for the costs and expenses incurred from the Contractor. The same applies in urgent cases, in particular in the event of impending production stoppage, delivery shortage or other significant damage or if rectification of the defect by NORMA as the customer is unreasonable. In the same manner, NORMA is entitled within the scope of damage reduction to remedy minor defects without prior notice.
- 11.5 The warranty period is 60 months from the signing of the final acceptance report. For subsequent performance by the Contractor a new warranty period of 24 months begins after successful completion.
- 11.6 The Contractor guarantees that the Machinery and its use by NORMA do not violate any rights of third parties.

The Contractor indemnifies and hold harmless NORMA and its customers from any third-party claims arising from any infringement of intellectual property rights. If infringements of intellectual property rights are asserted by third parties and the use of the Machinery is thereby impaired or prohibited, the Contractor is obligated to obtain the rights for NORMA that the Machinery can be used by NORMA without restrictions and without additional costs in accordance with the Contract. If there is no adverse affect on the operations of NORMA, the Contractor may also change or replace the Machinery in such a way that it no longer violates the intellectual property rights of others but still complies with the provisions of the Contract. If the Contractor fails to do this within a reasonable period, NORMA shall be entitled to acquire rights of use from the entitled party at the Contractor's expense. The Contractor is also responsible upon initial request for all costs and damages incurred by NORMA out of or in connection with the protected rights of third parties.

- 11.7 Furthermore, NORMA is entitled to claims according to applicable law. Additional claims, in particular claims for damages, compensation for futile efforts, for withdrawal from the Contract and/or mitigation remain unaffected.

12. LIABILITY/INSURANCE

- 12.1 Unless otherwise stipulated in these terms and conditions or otherwise agreed, the Contractor shall be liable according to statutory provisions.
- 12.2 The Contractor is obligated to indemnify and hold harmless NORMA from all damage claims of the injured party as a result of its own actions or omissions, or as a result of the actions or omission of its vicarious agents, which lead to the damage of third parties.
- 12.3 The Contractor must take out and maintain at its own expense liability and product liability insurance (including extended product liability, recall and machinery clause) with coverage of at least EUR 5 million as well as corresponding assembly insurance that covers all risks relating to his activities. The Contractor must submit this to NORMA on a yearly basis without being asked.

- 12.4 NORMA shall only be liable to the Contractor for grossly negligent or intentionally caused damages in the foreseeable amount. The disclaimer does not apply to injury to life, limb and health. These disclaimers and limitations of liability also apply to the personal liability of the legal representatives, employees and vicarious agents of the customer.
13. **TROUBLESHOOTING**
- The Contractor is obligated to process NORMA's disruption reports without delay and to start on-site analysis and rectification at NORMA no later than 12 hours after receipt of the report. Requests received on weekends and public holidays will be handled on the following business day.
14. **SPARE PARTS**
- The Contractor guarantees the availability of spare parts and qualified service personnel for a period of 10 years from final acceptance.
15. **FORCE MAJEURE**
- Each party shall be entitled to cease the fulfillment of its contractual obligations to the extent that such fulfillment is rendered impossible or unreasonably by circumstances of force majeure. Such circumstances include, but are not limited to, all circumstance beyond the control of the parties such as fire, war, general mobilization, insurgency, terrorism and its effects, seizure, embargo, natural events (volcanic eruptions, floods) and other cases of force majeure. The party claiming force majeure shall notify the other party immediately and in writing of the occurrence and the cessation of such a circumstance. However, NORMA has the right to terminate the Contract by written notice to the Contractor, if circumstances last longer than three months. Strikes and labor disputes are not considered as force majeure within the meaning of this clause 15.
16. **ENVIRONMENTAL COMPATIBILITY AND SAFETY**
- 16.1 The Contractor ensures that the Machinery does not cause any harmful environmental effects or other dangers. The Machinery may not result in significant disadvantages or significant burdens for the environment and/or the workforce and has appropriate devices for limiting emissions which comply with state-of-the-art technology. The Contractor also ensures that disposal of residual materials and waste generated during operation of the Machinery can be carried out with reasonable effort.
- 16.2 The Contractor ensures that the Machinery complies with all safety and health requirements in accordance with the relevant laws, regulations, directives and standards at the location of the Contractor and at NORMA, in particular with respect to the EC Machinery Directive, Pressure Equipment Directive and EMC Directive. The Contractor also observes these requirements during the execution of the order. The Contractor will instruct his employees accordingly.
17. **SECURITY AND DATA PROTECTION**
- 17.1 All business papers, written correspondences, blueprints, designs, drawings, samples, models, tools, molds, templates, computer programs and other information provided by NORMA to the Contractor or his employees or any copies, records and documents produced by the Contractor including duplicates (collectively "Confidential Information") remain or become the property of NORMA.
- 17.2 Confidential information must be treated with strict confidentiality, may not be used for any purpose other than for implementation of the contractual Machinery and the related works or services and must be returned at any time upon request, but no later than after acceptance without being asked. Confidential information may only be disclosed to third parties (including subcontractors and suppliers) with the prior written consent of NORMA. Third parties are required to comply with the provisions of this section. Retention rights to confidential information are not given to the Contractor.
- 17.3 Both parties are obligated to comply with the regulations of all relevant data protection laws. The contracting parties will process or use personal data of the other contracting party only for contractually agreed purposes. In particular, both parties will secure this data against unauthorized access and only distribute it to third parties with the consent of the other contracting party.

18. TERMINATION, WITHDRAWAL

18.1 NORMA has the right to terminate a Contract for a Machinery at any time without giving notice until the final acceptance of the Machinery. In this case, the Contractor is only entitled to compensation for the services performed up until this termination. The services performed are to be determined as a percentage of the total value of the Machinery and must be verified by the Contractor. All payments including this balance may not exceed the total price.

18.2 NORMA has the right to terminate a Contract with immediate effect without compensation if there is good cause for doing so. Good cause is, in particular:

- (a) if the Contractor ceases to meet its financial obligations, stops its payments, or applies for insolvency proceedings over its assets
- (b) NORMA itself loses the order based on which the Machinery is procured
- (c) for repeated inadequate or delayed provision of service by the Contractor

The issuance of a previous warning is not required in these cases. This shall not affect further claims of the customer, in particular for damages.

19. RIGHTS TO WORK RESULTS

19.1 All intellectual property rights to work results achieved by the Contractor or his employees, subcontractors or other third parties in connection with the contractual Machinery and the related works or services are the exclusive property of NORMA. All these rights are transferred to NORMA by the Contractor. If the use of these rights requires other intellectual property rights of the Contractor then NORMA shall be granted therein non-exclusive, gratuitous, transferable, unlimited and irrevocable rights of use to the extent necessary for the use of the work results.

19.2 The Contractor will take all necessary measures to ensure the transfer of the protective rights to NORMA. The Contractor is obligated to cooperate if registration of patentable work results is required - free of charge or by reimbursing NORMA for costs it may incur.

19.3 The transfer of rights by the Contractor to NORMA is deemed compensated by the contractually agreed remuneration.

20. OTHER PROVISIONS

20.1 The place of performance for all Machinery and the related works or services is the respective registered office of the requisitioning NORMA company unless the place of delivery is regulated separately in the single purchase order.

20.2 Any assignment or pledge of the rights and obligations of the Contractor arising from this Contract requires the prior written consent of NORMA. The Contractor is not entitled to any right of lien or right of retention on Machinery owned by NORMA.

20.3 The exclusive place of jurisdiction for all disputes arising out of and in connection with a Contract for the procurement of equipment or for all disputes arising from and in connection with this Contract shall be the place of jurisdiction in which NORMA has its registered office. However, NORMA may also take legal action against the Contractor at its general place of jurisdiction.

20.4 This Contract and all disputes arising from it shall be governed by the law of the country in which NORMA has its registered office, excluding its conflict of laws rules and excluding the United Nations Convention on Contracts for the International Sale of Goods (UN Sales Convention/CISG) of 01 April 1980.

20.5 Should individual provisions of this Contract or any provision incorporated into it in whole or in part be or become ineffective or unenforceable, the validity of the remaining provisions of the Contract remain unaffected. The same applies if the Contract should contain a loophole. The contracting parties shall without delay agree on such a provision which comes as close as possible to the invalid or unenforceable provision from an economic point of view to the extent permitted by law to replace the ineffective or unenforceable provisions or to fill the gap. The same applies to a regulatory gap.