

General Purchasing Conditions SET GmbH and SET R&D GmbH

(July 2019)

1. Basic Conditions

- 1.1. Unless expressly agreed otherwise in writing, these Terms and Conditions of Purchase shall apply to all deliveries of goods and services ordered by us as well as other agreements made with the Contractor in connection with the orders.
- 1.2. With the execution of the order (first delivery), these General Purchasing Conditions shall be deemed accepted and the Contractor shall also accept them as exclusively legally binding for all further delivery relationships. Deviating or supplementary conditions of the supplier apply only if they are accepted by us in writing.
- 1.3. In the entire correspondence relating to an order, our order numbers are to be listed. This applies in particular to delivery notes and invoices. Invoices without our order number will be returned unedited.
- 1.4. Quotations, cost estimates and ballpark estimates submitted to us are free of charge, no matter what preparatory work was necessary.
- 1.5. In his advertising activities, the supplier may only refer to business relations with us with our express written consent.
- 1.6. Should individual provisions of these terms of delivery be legally ineffective, they have no influence on the legal status of the others.
- 1.7. Suppliers to whom the Packaging Regulation 2014 applies are obliged to disclose their waste disposal license number to Altstoff Recycling Austria or to inform us how to dispose of the delivered packaging materials. Lack of such information, we are forced to return packaging freight forward or charge the disposal costs
- 1.8. The present General Purchasing Conditions shall also apply to all future deliveries and services of the Supplier to us until the validity of our new Purchasing Conditions.

2. Contract Conclusions and Contract Changes

- 2.1. Orders, contracts and delivery schedules as well as amendments and supplements must be made in written form. Orders and delivery schedules may also be made by e-mail or fax.
- 2.2. Verbal agreements before and upon conclusion of the contract require the written confirmation of the purchase department in order to be effective. Section 2.1, sentence 2 remains unaffected.
- 2.3. Verbal agreements after conclusion of the contract, in particular subsequent amendments and supplements to our terms and conditions of purchase including this written form clause as well as collateral agreements of any kind, also require written confirmation of the purchase department in order to be effective.
- 2.4. Irrespective of offers made, only the content of our orders is binding.
- 2.5. The transfer of our orders as a whole or partially to third parties may only be made with our written consent. Any violation of this provision entitles us to cancellation of this order without replacement, further claims remain unaffected.
- 2.6. The assignment of claims as well as the transmission of the collection of claims against us to third parties is excluded and also entitles us to the replacement of the revocation of the order, further claims remain unaffected.
- 2.7. If the supplier discontinues his payments or if bankruptcy proceedings or judicial or extrajudicial settlement proceedings are instituted against his assets, we shall without prejudice to other rights be entitled to withdraw from the contract.
- 2.8. If the supplier does not accept the order within 5 working days of receipt, we are entitled to revoke it without stating reasons.
- 2.9. Deviations from the order are to be clearly emphasized and require our express written consent to be effective. The unconditional acceptance of goods shall not be deemed such consent.

3. Delivery

- 3.1. The stated delivery dates are binding and are understood to be the time of receipt of the goods at the named place of destination, otherwise at our premises. If a delivery or service period is agreed upon, this starts with the order day. In the case of foreseeable delay in delivery, we are to be informed immediately in writing, stating the reasons and the expected duration of the delay.

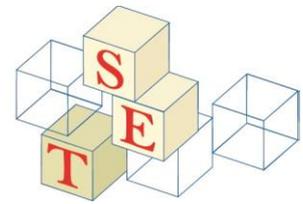
- 3.2. In the case of delays in delivery for which the supplier is responsible, the supplier is responsible to use the fastest available form of transport in order to shorten the delay, irrespective of the mode of dispatch specified in the order. The costs for this transport shall be at the expense of the supplier.
- 3.3. In the case of a delay in delivery for which the supplier is responsible, we are authorised to withdraw from the contract with immediate effect after 14 days have elapsed, without having to set a grace period and without incurring any costs for us. If a firm date was agreed upon, then the contract is cancelled if the deadline is exceeded, unless we request fulfilment of the contract within 14 days. If, in addition, it is foreseeable within the delivery period (in particular due to the notification from the supplier) that the supplier will not be able to perform his services on time, we shall be entitled, at the supplier's expense and risk, to take all measures to avert an impending loss of delivery date and all associated adverse consequences.
- 3.4. Partial deliveries and pre-deliveries require our written approval, whereby in these cases the payment periods only begin with the contractually agreed date.
- 3.5. Unless otherwise agreed, deliveries shall be made in accordance with DDP, including packaging and other ancillary costs, to the named place of destination in accordance with Incoterms 2010. The packaging must be selected in accordance with the relevant packaging standards in such a way that damage-free delivery is guaranteed. The supplier must provide the goods in good time, taking into account the time for loading and dispatch to be agreed with the forwarder.
- 3.6. The deadline requirement for our incoming goods inspection is 60 working days. The supplier waives in this respect the objection of delayed notice of defects. Our payment does not constitute an unconditional acceptance of the goods.
- 3.7. For hidden defects which are not recognisable at the time of acceptance or takeover, the warranty period shall only commence from the time of discovery.
- 3.8. For quantities, weights and dimensions, the values determined by us during the incoming goods inspection shall be decisive, subject to proof to the contrary.
- 3.9. In addition to the right to use the software to the extent permitted by law (§40d UrhG), we also have the right to use the software with the agreed features and to the extent necessary for the contractual use of the product. We may also make a backup copy without an explicit agreement.

4. Quality – Documentation

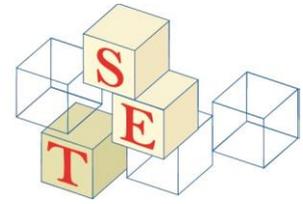
- 4.1. The goods to be delivered must comply with the respective applicable domestic and foreign regulations, the accident prevention regulations, the relevant regulations and directives of the ÖVE / VDE regulations, the recognized latest rules and standards of technology as well as documents based on the order, such as drawings, Descriptions, samples, specifications, acceptance conditions, etc..
- 4.2. The supplier has to carry out a quality control which is suitable in type and scope and which corresponds to the latest state of the art.
- 4.3. For devices, instruments, plant components or systems, complete maintenance, operating and service instructions as well as manufacturer's declaration and / or CE conformity declarations are to be supplied in electronic form and as a hardcopy without any special prescribing and at no extra cost.

5. Delay in delivery and performance, Contractual penalty, Withdrawal

- 5.1. Agreed delivery times and delivery periods shall be strictly adhered to by the supplier. The Supplier shall take all precautions and measures in this respect at its own costs. In case of default, we shall be entitled to demand a penalty in the amount of 1% of the total order value per commenced week of default, independent of the supplier's fault and the proof of damage, which shall not be subject to the judicial right of moderation. The obligation to fulfil the contract remains unaffected by this regulation.



- 5.2. The penalty for delay is limited to 10% of the total order value.
- 5.3. If we withdraw from the contract for reasons attributable to the supplier, we shall be entitled to demand 10% of the total order value as a penalty in addition to other legal consequences.
- 5.4. We reserve the right to assert damage or other claims in excess of the penalty in addition to or instead of the penalty.
- 5.5. In the case of recognisable payment difficulties on the part of the supplier, we shall be entitled to withdraw from the contract even without a grace period. The legal consequences in this case shall be the same as in the case of default for which the supplier is responsible. All costs incurred by us as a result shall also be borne by the supplier to whom we deduct or invoice them.
- 6. Force majeure**
 Force majeure, labor disputes, unindebted Operational disruptions, unrest, official measures and other unavoidable events entitle us, without prejudice to our other rights, to withdraw from the contract in whole or in part, insofar as they are not of insignificant duration and result in a considerable reduction of our requirements.
- 7. Shipping announcement and Invoice**
 The information in our orders and delivery schedules shall apply. The invoice shall be made out in a single copy, stating the invoice number and other allocation features (purchase order number, items, delivery note number, etc.) to the address printed on each item; it may not be enclosed with the shipment.
- 8. Pricing and Transfer of risk**
 Unless otherwise agreed, prices are delivered duty paid (DDP according to Incoterms 2010) including packaging. Value added tax is not included. The supplier shall carry the material risk until the goods have been accepted by us or our representative at the place to which the goods are to be delivered in accordance with the order.
- 9. Terms of Payment**
- 9.1. Unless otherwise agreed in written form, the prices quoted in the order are fixed prices and thus unchangeable until complete fulfillment of the scope of delivery and services according to the order.
- 9.2. Unless otherwise agreed in written form, payment shall be made after receipt of the goods in accordance with the contract and after receipt of the proper invoice in accordance with the statutory provisions within 14 days with 3% discount, within 30 days with 2% discount or within 60 days net.
- 9.3. In the case of a defect covered by warranty, we shall be entitled to postpone payment until the defect has been properly remedied. The payment periods start in this case with the complete completion of the complaint to run, whereby an agreed cash discount claim remains.
- 10. Warranty and Damages**
- 10.1. Acceptance shall be subject to examination for freedom from defects, in particular for correctness, completeness and fitness for purpose. We are entitled to examine the object of the contract as far as and as soon as this is possible in the ordinary course of business; discovered defects are reported by us immediately after discovery. In this respect, the supplier waives the objection of delayed notification of defects.
- 10.2. The statutory provisions on defects of goods and defects of title shall apply unless otherwise stipulated below.
- 10.3. In principle, we shall be entitled to choose the type of subsequent performance. The supplier is not entitled to the right to demand from us the chosen type of supplementary performance under the conditions of §932 ABGB.
- 10.4. For all deliveries and services, the supplier assumes full warranty for the period of 24 months after delivery or commissioning. The Supplier shall remedy any defects occurring during this period immediately upon request and at its own expense. All costs incurred in remedying the defect, such as transport, removal and installation costs, shall be borne by the supplier. The warranty period shall be extended for the duration of improvement work up to the successful elimination of defects.
- A warranty period of 24 months from the date of replacement or repair shall again apply to parts replaced or repaired under the warranty. The place of performance for rectification of defects within the warranty period shall be at our discretion. Further legal provisions remain unaffected.
- 10.5. In those cases in which the supplier does not comply with his warranty obligation within a reasonable period of time upon request and also in other particularly urgent cases, we shall be entitled without further ado to remedy the defect ourselves at the supplier's expense or to have it remedied by a third party or, if this is not possible, to procure a replacement elsewhere.
- 10.6. We reserve the right to assert the right to conversion or price reduction instead of improvement and exchange. he supplier shall reimburse us for any damages incurred by us as a result of defective deliveries.
- 10.7. Should we, as the manufacturer of the end product, be liable for damage attributable to defects in the raw material or partial product supplied by the supplier, the supplier shall indemnify us from such liability and reimburse us in full, irrespective of fault.
- 10.8. The supplier undertakes, in particular in product liability cases, to satisfy all our claims for damages with regard to all products delivered by him, to reimburse any costs and expenses incurred and to indemnify and hold us harmless with regard to all product liability claims of third parties. The supplier must inform the respective importer, manufacturer, supplier and sub-supplier immediately upon our first request. He assures us that he will make available in good time all relevant evidence in any legal disputes.
- 10.9. The supplier is obliged to insure himself sufficiently against any damage and risks and to prove this insurance cover to the purchaser in case of an incident, to name him the insurance company together with the policy and to announce the registered office of the insurance company.
- 11. Property rights of third Parties, Prohibition of Assignment, Set-off, Transfer, Transfer of Ownership**
- 11.1. The supplier undertakes to provide a delivery or service which is free of the industrial property rights of third parties. The Supplier shall be liable for ensuring that the industrial property rights of third parties are not infringed, in particular during execution of the contract and use of the object of the delivery or service. He shall indemnify and hold us harmless and without complaint with regard to any claims by third parties for infringements of industrial property rights.
- 11.2. In particular, all deliveries shall be made free of any proprietary rights of third parties. The supplier shall indemnify and hold us harmless in this respect and shall be liable for any disadvantages we may suffer as a result of a breach of this condition.
- 11.3. Claims from deliveries made to us may only be ceded with our express, prior written consent.
- 11.4. The supplier shall not be entitled to offset counterclaims.
- 11.5. The supplier may not transfer his contractual rights and obligations to third parties without our express consent.
- 12. Product liability and Recall**
- 12.1. In the case that claims are made against us on the basis of product liability, the supplier is obliged to indemnify us against such claims if and to the extent that the damage was caused by a defect of the contractual item supplied by the supplier. In cases of liability independent of fault, however, this shall only apply if the supplier is at fault. If the cause of the damage lies within the area of responsibility of the supplier, he shall bear the burden of proof in this respect. In such cases, the Supplier shall bear all costs and expenses, including the costs of any legal action or recall. Otherwise, the statutory provisions shall apply.
- 12.2. Both parties (us as well as the supplier) have the right to withdraw from the purchase contract within 5 working days without giving reasons, without any costs arising for us.
- 12.3. Furthermore, we reserve the right to withdraw from the purchase contract at any time, until the date of delivery stated on the order, without any costs incurred by us. This may be due to non-compliance with points 2 to 2.8, 3 to 3.9 and other reasons (e.g. changing the request for the product, contract cancellations of our customer, etc.).



13. Execution of Works

Persons who carry out work on the premises in fulfilment of the contract must observe the provisions of the respective company regulations. Liability for accidents suffered by these persons on the works premises is excluded unless caused by intentional or grossly negligent breach of duty by our legal representatives or vicarious agents.

14. Supply

Parts, materials, containers and special packaging provided by us shall remain our property. These may only be used for their intended purpose. The processing of materials and the assembly of parts takes place for us. It is agreed that we shall be co-owners of the products manufactured using our materials and parts in the ratio of the value of the orders to the value of the entire product, and that the Supplier shall hold these products in safe custody for us.

15. Confidentiality

- 15.1. All drawings, descriptions, specifications and the like provided for the submission of offers or execution of orders shall remain our property and shall be returned to us together with the offer or after execution of the order. These may not be reproduced or made accessible to third parties without our written permission.
- 15.2. The supplier is obliged to treat the order and the resulting work as well as all related technical and commercial documents and

equipment as business secrets and to treat them as strictly confidential. In the case of partial subcontracting by subcontractors for subcontracting, as approved by us, the supplier has to oblige his subcontractors accordingly.

16. Place of Fulfilment

The place of performance is the place where the goods are to be delivered according to the order, or the location of our customer for the fulfillment of warranty claims.

17. General Conditions

- 17.1. Should any provision of these Terms and Conditions and any further agreements reached be or become ineffective, this shall not affect the validity of the remaining provisions. The contracting parties shall be obliged to replace the invalid provision with a provision that comes as close as possible to the economic purpose of the invalid provision.
- 17.2. The place of jurisdiction for all legal disputes arising directly or indirectly from contractual relationships based on these Terms and Conditions of Purchase shall be Eisenstadt. We shall also be entitled, at our discretion, to sue the supplier at the court of his registered office or branch or at the court of the place of fulfilment.
- 17.3. The contractual relations shall be governed exclusively by Austrian law to the exclusion of conflict of laws provisions and the United Nations Convention on Contracts for the International Sale of Goods (CISG).