RENK Magnet-Motor GmbH – Terms and Conditions of Sale (Germany)

MAGNET-MOTOR
A RENK GROUP COMPANY

I. General

1. These Terms and Conditions of Sale (Germany) shall govern all product sales by RENK Magnet-Motor GmbH ("RENK"). Any conflicting, contrary or additional terms and conditions of the Purchaser shall only become part of the contract if and to the extent RENK has expressly agreed to their applicability. This express agreement by RENK shall always be required, also, for instance, if RENK effects a delivery without reservation in full knowledge of the Purchaser's standard terms and conditions.
2. These Terms and Conditions of Sale shall only apply to transactions with business enterprises, public-law entities or special funds under public law, which have their registered office in the Federal Republic of Germany. For purchasers with registered offices outside the Federal Republic of Germany, the "Terms and Conditions of Sale (International)" shall apply.

II. Contract formation

1. Orders placed without prior quotation shall only be deemed accepted upon RENK's written acknowledgement.
2. Unless expressly stated otherwise, all quotations are non-binding.
3. If a quotation refers to a general product documentation or documents such as illustrations, drawings, or information on weights or dimensions, the same shall only serve as a guideline unless they are expressly designated or agreed as binding.
4. Unless specifically agreed otherwise, a contract shall only be deemed concluded upon RENK's written acknowledgement of the order.

III. [Not in Use.]

IV. Contractual documents, confidentiality

1. The Purchaser covenants to treat any and all commercial and technical details that are not common knowledge and are disclosed to the Purchaser as part of the business relationship ("Confidential Information") confidentially. The Purchaser shall refrain from acquiring Confidential Information by observing, studying, disassembling, testing or reverse engineering of any ordered goods, software or other tangible objects provided by RENK under the contract. The Purchaser shall inform RENK without undue delay about any loss, unauthorized publication or use of Confidential Information (e.g. as part of a information security incident) or any other violation of the confidentiality obligation and shall reasonably assist RENK in the recovery and prevention of any further distribution of the Confidential information.
   RENK undertakes not to disclose any information and/or documents designated as confidential by the Purchaser to any third party unless with the Purchaser's prior consent.
2. Save as expressly agreed otherwise, RENK reserves any and all proprietary, copyright, patent and other industrial property rights and licences or rights of use in any specimens, samples, cost estimates, drawings and similar information in material and immaterial form, also including electronic form, that RENK delivers or makes accessible to the Purchaser before or after the conclusion of the contract; without RENK's prior consent, such documents and/or the information they contain may neither be made available to any third party, nor be used or copied beyond the extent necessary for the performance of the contract.

V. Price, payment, taxes

1. Save as agreed otherwise, all prices are quoted ex works including loading at our plant but not including packaging and unloading.
2. Taxes
   a) Save as agreed otherwise, prices are stated net of statutory turnover tax, sales tax, value-added tax or other similar taxes (hereinafter referred to as "turnover tax or similar taxes"). Any payable turnover tax or similar taxes shall be added to the prices. This shall not apply if the Purchaser is legally liable to pay the turnover tax or similar taxes and/or the reverse charge process is applicable.
   If the Purchaser's national legislation demands the application of the reverse charge procedure or any other simplified procedure which obliges the recipient of a supply or service to self-assessment or the withholding of turnover tax or similar taxes, the Purchaser shall be obliged to make such self-assessment and/or withholding and to pay the respective amount over to the competent fiscal authorities within the periods allowed. If the application of the reverse charge procedure or any other procedure is optional, RENK will inform the Purchaser whether or not such a procedure is to be applied.
   The Purchaser shall support RENK to the best of the Purchaser's ability in obtaining a tax exemption and/or satisfying the conditions of zero-rating. Upon RENK's request, the Purchaser shall transmit to RENK all documents requested by RENK in this context within 14 calendar days (for instance, exemption certificates for supplies, evidence of intra-EU delivery or export certificates).
   If RENK is obliged to pay turnover tax or similar taxes under this item due to the Purchaser's failure to comply with its duties, the Purchaser shall reimburse RENK for such turnover tax or similar taxes, unless the Purchaser is not responsible for the violation of this duty.
   b) The Purchaser and RENK shall each be responsible for the payment of their own taxes on income.
   c) Payments subject to tax withheld at source shall be governed by the following stipulations:
   If the Purchaser is legally obliged to withhold taxes from the payment to be made to RENK in the name and on behalf of RENK and to pay the same over to the local fiscal authority, the Purchaser shall be responsible for complying with this obligation. If the Purchaser fails to comply with this obligation and fails to withhold and pay such tax over to the fiscal authorities in whole or in part, the Purchaser shall compensate RENK for any loss resulting from a subsequent tax claim, unless the Purchaser is not responsible for the violation of this duty.
   RENK shall be responsible for satisfying the formal conditions of a possible reduction of the withholding tax rate (if applicable down to zero-rating). Any required applications and residence certificates shall be provided by RENK. The Purchaser shall support RENK to the best of its ability in obtaining a reduction of the withholding tax (if applicable down to zero-rating).
   If (i) a double taxation agreement ("DTA") exists between Germany and the country of residence of the Purchaser or the country in which the activities are carried out by RENK and (ii) the conditions for a reduction of the withholding tax (if applicable down to zero-rating) are satisfied under the applicable DTA, the Purchaser may only retain the maximum withholding tax amount specified by the applicable DTA from the payments to RENK.
   If the conditions under (i) and (ii) are not satisfied, the Purchaser may only withhold the withholding tax at the rate applicable under the national law of the country of residence of the Purchaser or the country in which the activities by RENK are carried out and shall pay the same over to the local fiscal authorities in the name of RENK and in a timely manner.
   The Purchaser shall promptly send RENK a proper tax certificate on the transfer of the tax withheld at source in RENK's name.
   If the proper tax certificate is not sent or is not sent in due time, the Purchaser shall bear any and all tax disadvantages resulting for RENK from the omitted or delayed sending of the official tax certificate, unless the Purchaser is not responsible for the violation of this duty.
3. Unless agreed otherwise, all payments shall be due and payable in euros without any deduction and free of charge into a bank account of RENK so as to be received within thirty (30) days of the date of the invoice.
4. The Purchaser may not withhold any payment by reason of any counterclaims it may have against RENK unless the same are undisputed or have been finally determined to be legally valid.
5. The Purchaser's right to set off own claims from other legal relations against RENK's claims for payment shall be limited to counterclaims that are undisputed or have been finally determined to be legally valid.

VI. Delivery time, delay in delivery

1. The delivery time shall be as contractually agreed between the parties. The timely delivery by RENK shall be contingent upon the clarification of all commercial and technical issues between the parties and the Purchaser's fulfilment of all its obligations such as the submission of any required official certificates or licences or the making of a down payment. Otherwise, the delivery time shall be extended for an appropriate period, unless RENK is responsible for the delay.
2. Timely delivery by RENK shall also be contingent upon RENK's correct and timely receipt of own supplies. Should RENK become aware of possible delays in delivery by its own suppliers, RENK shall inform the Purchaser thereof as soon as possible.
3. Delivery shall be deemed to have been made within the agreed period if by the date on which the delivery time expires, the ordered goods have left RENK's plant or RENK has informed the Purchaser that the ordered goods are ready for shipping.
4. If the shipping of the ordered goods is delayed for reasons for which the Purchaser is responsible, any costs resulting from

such delay will be charged to the Purchaser beginning 14 days after the notice that the goods are ready for shipping.

5. If a delay in delivery is due to acts of God, labour disputes or other events or circumstances beyond RENK's control, the delivery time shall be extended by an appropriate period. RENK shall inform the Purchaser as soon as possible of the beginning and the end of any such event or circumstance.
6. The Purchaser may terminate the contract with immediate effect if prior to the passing of the risk, it becomes finally impossible for RENK to effect full performance. The Purchaser may also terminate the contract if it becomes impossible to fulfil part of a purchase order and the Purchaser has a justified interest in refusing partial delivery. If this justified interest cannot be demonstrated, the Purchaser shall pay that part of the contractually agreed price that is attributable to the partial delivery. The same shall apply in case of RENK's inability to perform. In all other respects, the stipulations of section XI.2III.2 shall be applicable.
   If the impossibility of performance or the inability to perform occurs during a delay in acceptance or if the Purchaser is solely or predominantly responsible for these circumstances, the Purchaser's obligation to make counter-performance shall continue to be in full force and effect.
7. If RENK is in default and the Purchaser suffers a loss as a consequence, the Purchaser may demand liquidated damages for the default at a rate of 0.5% for each full week up to a maximum of 5% of the value of that part of the total supply that as a result of the delay cannot be used in time or not in conformity with the contract.
   If after the expiry of the delivery time, the Purchaser sets RENK an appropriate time limit for performance – taking account of the statutory exceptions – and this time limit is exceeded, the Purchaser may terminate the contract subject to the statutory regulations. Upon RENK's request, the Purchaser shall state within a reasonable time whether or not it intends to make use of its right to terminate the contract.
8. Any other claims resulting from a delay in delivery shall be exclusively governed by the provisions of section XI.2 of these Terms and Conditions of Sale.

VII. Passage of risk

1. Save as otherwise agreed in each individual case, the risk shall pass to the Purchaser as soon as the delivered goods have left the plant; this shall also apply if partial shipments are made or RENK has assumed other obligations e.g. payment of the shipping charges or delivery to the Purchaser's site and setup.
2. If the shipping is delayed or does not take place for reasons beyond RENK's control, the risk shall pass to the Purchaser on the date of the notice that the goods are ready for shipping. RENK shall take out any insurance policies requested by the Purchaser for the Purchaser's account.
3. Partial shipments shall be permitted unless they would be unreasonable for the Purchaser.

VIII. Reservation of title

1. RENK reserves the title to the delivered goods until receipt of full payment of the present and future claims under the contract for delivery and an ongoing business relationship ("Secured Claims").
2. Any goods subject to a reservation of title ("Conditional Goods") may neither be pledged to any third party nor be assigned by way of security until full payment of the Secured Claims has been made. The Purchaser shall inform RENK without delay if and to the extent any Conditional Goods are seized by a third party.
3. In case of any breach of contract by the Purchaser, including but not limited to a default in payment, RENK may terminate the contract subject to the statutory provisions and may demand return of the Conditional Goods by reason of the reservation of title and the termination. If the Purchaser fails to pay the purchase price when due, RENK may only assert these rights after RENK has set the Purchaser an appropriate deadline for payment and that deadline has lapsed or the setting of such deadline is superfluous under the applicable statutory provisions.
4. The Purchaser may resell and/or process the Conditional Goods in the ordinary course of business subject to the following additional provisions:
   a) The retention of title shall extend to the full value of the products created by processing the Conditional Goods or mingling or combining Conditional Goods with other products; in this respect, RENK shall be deemed to be the manufacturer. If Conditional Goods are processed, mingled or combined with goods of any third parties and such third parties retain their rights of ownership, RENK shall acquire a pro-rata co-owner's interest based on the invoiced values of the processed, mingled or combined goods. In all other respects, the resulting product shall be subject to the same provisions as the Conditional Goods.
   b) The Purchaser already now assigns to RENK by way of security any accounts receivable from third parties resulting from the resale of Conditional Goods or the product in their full amount or, if applicable, in the amount of RENK's co-owner's interest as provided for in the above paragraph and RENK accepts such assignment. The Purchaser's duties stated in subsection 2 shall also apply with respect to the assigned accounts receivable.
   c) The Purchaser shall have the right to collect accounts receivable apart from RENK. RENK agrees not to collect any accounts receivable as long as the Purchaser is not in default in payment, no petition to open insolvency proceedings is filed and no other defect in its ability to perform occurs. Otherwise, RENK may demand that the Purchaser informs RENK about the assigned accounts receivable and their debtors, provides all information required for collection, hands over the related documents and informs the debtors (third parties) about the assignment.
   d) If the realizable value of the securities exceeds RENK's claims by more than 10%, RENK shall release securities at its choice if so requested by the Purchaser.

IX. Warranty claims

To the exclusion of any and all further claims and subject to the stipulations of section XI, RENK shall be liable for any defects in quality and defects in title as follows:

1. Defects in quality
   Insofar as the parties have reached a quality agreement for the delivered goods, objective requirements for the delivered goods shall not apply in this respect.
   a) Should any defects be discovered that are due to an event or circumstance prior to the passage of the risk, the related parts shall at RENK's discretion be reworked or replaced by parts that are free of defects. RENK shall be informed in writing without delay as soon as any such defects are discovered. Replaced parts shall become the property of RENK.
   b) Upon consultation with RENK, the Purchaser shall allow RENK the required time and opportunity to perform all the rework and replacements that RENK considers necessary; if the Purchaser fails to do so, RENK shall be released from any liability for the resulting consequences. The Purchaser may only rectify the defect itself or have the defect rectified by a third party in urgent cases of an operational safety hazard and/or in order to prevent a disproportionately high loss or damage, and in such cases, the Purchaser may demand reimbursement of the required expenses by RENK.
   c) If a defect actually exists, RENK shall bear the costs of the subsequent performance, including but not limited to the costs of transport, travelling, labour and material unless this would create a disproportionately high burden to RENK. In the event that costs are increased because the goods were subsequently brought to another place than the place of performance, additional costs arising therefrom shall be borne by the Purchaser. When selling a newly produced item RENK will reimburse expenses incurred by the Purchaser limited to the statutory scope in the context of recourse claims along the supply chain. Should a demand by the Purchaser to rectify a defect turn out to be unfounded, RENK may demand reimbursement of the expenses caused by such demand from the Purchaser.
   d) If RENK allows an appropriate time that has been set for reworking or replacement on account of a defect in quality to lapse without effect, the Purchaser shall have a right to terminate the contract subject to the statutory regulations and considering the statutory exceptions. If the defect is not material, the Purchaser shall only be entitled to reduce the contract price. In any and all other respects, the right to reduce the contract price shall be excluded.
   e) Any further claims shall be exclusively governed by the provisions in section XI.2 of these Terms and Conditions of Sale.
   f) RENK's liability shall be excluded in particular in the following cases: unsuitable or improper use, defective assembly or commissioning by the Purchaser or third parties, natural wear and tear, faulty or negligent treatment, improper maintenance, use of unsuitable supplies, defective construction work, unsuitable subsoil, chemical, electrochemical or electrical influences, unless these are RENK's responsibility.
   g) If the Purchaser or a third party performs improper rework, RENK shall not be liable for the resulting consequences.

The same shall apply to any modifications of the delivered goods made without RENK's prior consent.

2. Defects in title
   a) If the use of the delivered goods infringes any industrial property right or a copyright in Germany, RENK shall at its own cost procure the Purchaser the right to continue using the delivered goods or modify the delivered goods – in a way that is reasonable for the Purchaser – to the effect that the infringement no longer exists; provided that if this is not possible at a reasonable expense or within a reasonable period, the Purchaser and/or RENK may terminate the contract.
   In addition, RENK shall indemnify the Purchaser for and against any and all claims asserted by the holder of the respective rights, provided such claims are undisputed or have been finally determined to be legally valid.
   b) Subject to the provisions of section XI.2, RENK's obligations in case of an infringement of an industrial property right or copyright are stated conclusively in section IX.2.a). These obligations shall only exist if
      - the Purchaser informs RENK without undue delay about any alleged infringement of an industrial property right or copyright
      - the Purchaser reasonably supports RENK in the defence against the asserted claims and/or allows RENK the performance of the modifications described in section IX.2.a)
      - any and all defensive measures including out-of-court settlements remain reserved to RENK
      - the defect in title is not due to an instruction given by the Purchaser
      - the infringement was not caused by an unauthorized modification of the delivered goods by the Purchaser or by the Purchaser's use of the delivered goods in a way that is not in conformity with the contract.

X. Service and maintenance work

To the extent technically possible, the Purchaser shall plan and ensure that RENK has free access to the installed delivered goods, in order to perform service and maintenance work. RENK's assembly or fitting instructions shall be observed.

XI. Liability of RENK, disclaimer

1. If the Purchaser cannot use the delivered goods as provided for in the contract because of RENK failed to make proposals or give advice or because RENK made incorrect proposals or gave incorrect advice either before or after the conclusion of the contract or because of RENK failed to fulfil any other collateral contractual duties, including but not limited to providing guidance for the operation and maintenance of the delivered goods, the stipulations in sections IX and XI.2 shall apply and any and all further claims of the Purchaser shall be excluded.
2. For any loss or damage not caused to the delivered goods themselves, RENK shall – regardless of legal grounds – only be liable
   a) in case of intent
   b) in case of gross negligence
   c) if RENK is at fault for an injury to life, body or health
   d) in case of a fraudulent non-disclosure of defects by RENK
   e) occurrence of defects RENK had guaranteed to be absent
   f) in case of defects in the delivered goods, to the extent the German Product Liability Act stipulates liability for personal injury and material damage to privately used objects.

   If RENK is at fault for a breach of material contractual obligations, RENK shall also be liable for simple negligence limited to the typical loss or damage that may reasonably be expected.
   Any further claims shall be excluded.

XII. Limitation

Any and all claims of the Purchaser – regardless of the form of action – shall become statute barred after twelve (12) months. This also applies to recourse claims along the supply chain according to sec. 445b (1) of the German Civil Code (BGB). The suspension of statute of limitations according to sec. 445b (2) of the German Civil Code (BGB) shall remain unaffected; it shall end no later than five years after the date on which the supplier delivered the item to the seller. These provisions on the limitation of claims under a right of recourse and on the suspension of limitation periods shall not apply if the last contract in this supply chain is a purchase of consumer goods. Claims for damages according to section XI.2.a) to d) and f) shall be governed by the statutory periods of limitation. The statutory periods of limitation shall also apply to any defects at a building or at delivered goods that in accordance with their customary kind of use have been used for a building and have caused its defectiveness.

XIII. Use of software

1. If the scope of delivery includes any software, the Purchaser is granted a non-exclusive licence to use the supplied software including its documentation. The software is supplied for use on the intended delivered goods. The use of the software on more than one system shall not be permitted.
2. The purchaser may only copy, revise, translate or convert software from its object code into its source code to the extent permitted by law (sec. 69 a ff. of the German Copyright Act (UrhG)). The Purchaser undertakes not to remove any manufacturer information, including but not limited to any copyright notice. The Purchaser further undertakes not to modify any such information, unless the Purchaser has obtained RENK's prior express consent to do so.
3. Any other rights in the software and the documentation and copies thereof shall remain with RENK or the software supplier. The Purchaser may not grant any sublicenses. If the Purchaser sells the delivered goods, the Purchaser shall have the right to transfer the software supplied with the delivered goods including the related documentation to the buyer.

XIV. Export control

1. Sanctions and Export control
   a) The Purchaser shall comply with applicable EU, US, French, German, UK and other national export control, sanctions and embargo laws and regulations ("Sanctions and Export Control Laws"), and where applicable adhere to the anti-boycott statutes of § 7 German Foreign Trade and Payments Ordinance and/or Council Regulation (EC) No. 2271/1996.
   b) Prior to exchanging any hardware, software, technical data, technology or services subject to Sanctions and Export Control Laws, the Purchaser shall notify RENK in advance and provide applicable export control classifications and jurisdictions. The Purchaser shall comply with all applicable import restrictions and any Sanctions and Export Control Laws, related to any further export, reexport or transfer including but not limited to provisos in relevant authorisations.
   c) For each delivery of tangible items of the Purchaser to RENK, the Purchaser shall provide export control classifications, jurisdictions and authorisation numbers in shipping documents. For intangible items, such information shall be referenced in related documents. Unmarked deliveries shall be considered not export control classified.
   d) If the Purchaser becomes subject to Sanctions and Export Control Laws or is owned/controlled by a targeted person, or performance would breach Sanctions and Export Control Laws (a "Sanctions Event"), the Purchaser shall promptly notify RENK. The Parties shall consult to mitigate the effects, and RENK may, to the extent permitted by law without liability, suspend performance or terminate the contract with immediate effect, upon written notice.
   e) RENK shall be entitled, to the extent permitted by law without liability and upon written notice, to suspend performance of its obligations or terminate the contract with immediate effect if, following conclusion of the contract, it becomes apparent that the performance of the contract is prevented or restricted by applicable Sanctions or Export Control Laws, or if any required governmental authorization, approval, export license or other clearance is denied, revoked or not granted.
2. Information about end customer
   Due to national and international export control requirements, RENK is required to conduct export controls. For some countries, export control restrictions may apply if goods can be used for sensitive purposes, e.g., military, chemical plants, or nuclear technology. Therefore, prior to placing an order, the Purchaser must provide the following information: the name and address of the end customer, a description of the intended use of the subject matter of the contract with RENK, and a description of the end customer's business areas. Based on request of RENK, the Purchaser shall provide RENK with an end use certificate and, if applicable, the Purchaser shall oblige the relevant end user to provide the end use certificate to RENK.
3. Russia / Belarus Re-Export Prohibition
   a) The Purchaser (Importer/Buyer) shall not sell, export or re-export, directly or indirectly, to the Russian Federation or for use in the Russian Federation any goods supplied under or in connection with this Agreement that fall within the scope of Article 12g of Council Regulation (EU) No 833/2014. Furthermore, the re-export to Belarus, as well as the re-export for use in Belarus, of goods supplied under or in connection with this Agreement and falling within the scope of Article 8g of Council Regulation (EU) No

765/2006 and listed in its Annexes, is also prohibited by contract.

b) RENK (the exporter/seller) hereby prohibits the sale, export or re-export of RENK products pursuant to sections XIV.3.a).
c) The Purchaser (importer/buyer) shall use its best endeavours to ensure that the purpose of paragraphs XIV.3.a) and b) is not frustrated by third parties in the further chain of commerce, including potential resellers.
d) The Purchaser (importer/buyer) shall establish and maintain an appropriate monitoring mechanism to detect behaviour by third parties in the wider chain of commerce, including potential resellers, that would frustrate the purpose of paragraph XIV.3.a).
e) Any breach of paragraphs XIV.3.a), b) or c) shall constitute a material breach of a material term of the contract and RENK (the exporter/seller) shall be entitled to seek appropriate remedies, including but not limited to:
   i. termination of the contract and
   ii. a penalty equal to 0.5% of the total value of the contract or 100% of the price of the exported goods, whichever is higher.
f) The Purchaser (importer/buyer) shall promptly inform RENK (the exporter/seller) of any problems in the application of paragraphs XIV.3.a), b) or c), including any relevant third party activities that may frustrate the purpose of paragraph XIV.3.a). The Purchaser (importer/buyer) shall provide RENK (exporter/seller) with information on compliance with the obligations under paragraphs XIV.3.a), b) or c) within two weeks of the simple request for such information.
g) If RENK (the exporter/seller) becomes aware of a prohibited (re-) export, RENK (the exporter/seller) shall make the necessary notifications to the competent export control authorities in accordance with the requirements of Regulation (EU) No. 833/2014 and Council Regulation (EU) No. 765/2006.

XV. Applicable law, jurisdiction

1. Any and all legal relations between RENK and the Purchaser shall exclusively be governed by the law of the Federal Republic of Germany applicable to the legal relations between German parties.
2. Exclusive place of jurisdiction for any and all legal disputes arising out of or in connection with the legal relations between RENK and the Purchaser shall be the competent court at RENK's registered office, provided that RENK may bring an action at the Purchaser's registered office.