

GENERAL TERMS AND CONDITIONS OF PURCHASE OF CCT STEGELITZ GMBH

1. Preamble, validity

(1) Parties, scope

These General Terms and Conditions of Purchase and Delivery (**‘Conditions of Purchase’**) apply to all orders for goods or services (**‘Deliverables’**) placed by cct Stegelitz GmbH, Dammfeld 8, D-39291 Möckern and any legal successors (**‘Purchaser’**) in business transactions with entrepreneurs as defined by Section 14 BGB German Civil Code, legal entities under public law and special funds under public law (referred to as **‘Supplier’**) in the context of contracts of sale, contracts for work and services, or other contracts.

(2) Validity, version, exclusion of other terms and conditions

- a) Contracts agreed by Supplier with Purchaser and individual orders for Deliverables are governed solely by these Conditions of Purchase as amended, which are posted on www.carbon-clean-tech.de/disclaimer and will be sent to Supplier by Purchaser on request. These Conditions of Purchase shall also apply to ongoing business relations between Purchaser and Supplier even if their application has not been expressly agreed by the parties.
- b) The validity of Supplier’s general terms and conditions of purchase conflicting with or deviating from these Conditions of Purchase is refuted unless Purchaser has expressly accepted their validity in writing. These Conditions of Purchase shall still apply if Purchaser accepts a delivery without reservation with full knowledge of Supplier’s general terms and conditions conflicting with or deviating from these Conditions of Purchase.

2. Conclusion of contract, amendments, documentation, delivery requests

(1) Offers and orders

- a) In a declaration of intent aimed at the conclusion of a contract (**‘Offer’**) and made in reply to a request for a quotation received from Purchaser, Supplier is obliged to exactly reproduce Purchaser’s enquiry regarding the quantity and quality of Deliverables offered and to expressly draw attention to any deviations in writing. Offers are to be sent by Supplier to Purchaser without delay and free of charge.
- b) Purchaser is bound by a declaration of intent aimed at the conclusion of a contract (**‘Order’**) for a period of fourteen (14) days.
- c) If the content of a declaration of intent drawn up by Supplier in response to an Order deviates from said Order, Supplier must expressly notify Purchaser of this discrepancy in writing. If such notice is not provided by Supplier, neither Purchaser’s silence in response to Supplier’s declaration of intent nor the receipt of any Deliverables by Purchaser is to be construed as acceptance.

(2) Contract amendments

- a) Purchaser is entitled to demand from Supplier that Deliverables be amended and/or supplemented to a reasonable extent regarding construction and design. The consequences of such changes in respect of delivery dates and/or increases or decreases in costs are to be amicably agreed between the Parties.
- b) Supplier may not make any changes to Deliverables without Purchaser's prior consent in writing.

(3) Documentation

- a) Any documents or information pertaining to Deliverables (e.g. drawings, descriptions, weights, performance characteristics, function) submitted by Supplier to Purchaser in any way shall constitute a contractual agreement regarding the nature of the Deliverables concerned.
- b) Supplier is obliged to provide all documents required for the contractual purpose of Deliverables (e.g. test certificates, instructions) in an appropriate form by the time the Deliverables are rendered to Purchaser.

(4) Delivery requests

Unless otherwise agreed in writing, whenever written requests for the rendering of Deliverables by Supplier (**'Delivery Requests'**) are submitted by Purchaser, said Delivery Requests shall be binding for Supplier unless refuted by Supplier within a week of receipt.

3. Delivery

(1) Packaging and shipping

- a) Delivery and shipping are to be effected free of all expenses and at Supplier's costs and risk. All deliveries are to be shipped at the lowest cost in each case unless a specific method of shipping is expressly stipulated by Purchaser in writing or in individual cases a different arrangement is expressly agreed in writing.
- b) Additional costs caused by accelerated shipping necessary to meet delivery deadlines shall be borne by Supplier unless he can prove that Purchaser is responsible for the necessity of accelerated shipment.

(2) Delivery periods, quantities, discrepancies, changes, instalments

- a) All delivery deadlines and delivery periods specified in Orders are binding. Delivery shall be deemed to have been effected on time if received by Purchaser by the due date.
- b) If circumstances occur or become apparent that an agreed delivery date cannot be met, Supplier shall notify Purchaser in writing without delay.
- c) Purchaser is entitled to refuse to accept Deliverables rendered before the due date and to return such Deliverables or to have them placed in storage by a third party at Supplier's cost and risk.
- d) Purchaser is entitled to refuse excess or short deliveries.
- e) Deliverables may not be rendered in instalments unless agreed otherwise in writing.

- f) Deliverables which are defective or do not correspond to the Order in some other respect are to be collected from Purchaser by Supplier at his expense. Purchaser is entitled to have such goods shipped to Supplier carriage forward.
- g) Purchaser is entitled to change agreed delivery dates within reasonable limits if necessary to ensure the smooth running of his business operations.

(3) Default, cancellation, compensation

- a) If Deliverables are not rendered by the due date, after the expiry of a reasonable grace period and notwithstanding his other statutory rights, Purchaser shall be entitled to cancel the contract in whole or in part and demand damages instead of the Deliverables. If Purchaser claims compensation, Supplier shall have the right to prove that he is not responsible for this breach of contract. If a fixed date has been agreed, or a period of grace need not be set for other legal reasons, Purchaser may exercise these rights without setting a grace period.
- b) Should Supplier be in default, notwithstanding Purchaser's rights set out in Section 3(3)a, Purchaser shall be entitled to demand fixed damages of 1% of the value of the Deliverables subject to default for each full week of delayed delivery, albeit limited to a total of 5%. Any additional statutory claims shall remain unaffected. Supplier is entitled to prove that the loss suffered by Purchaser is less than this amount or non-existent. If Purchaser can prove that he has suffered a higher loss, in addition to the rights set out in **Section 3(3)b, sentence 1**, he shall be entitled to claim higher compensation equating to the amount concerned.

4. Inspection, notification of defects, documentation of hazardous substances

(1) Inspection of Deliverables, notification of defects

- a) Purchaser shall inspect the Deliverables within a reasonable period of their receipt for possible discrepancies in quality or quantity on the basis of his quality criteria. Purchaser's obligation to examine Deliverables received may take the form of meaningful spot tests.
- b) Purchaser shall notify Supplier of any obvious defects in good time such that this notice of defects is received by Supplier within five (5) working days. In the event of purchase based on samples, Purchaser shall not be obliged to provide notification of defects if the Deliverables do not correspond to the samples. Purchaser must notify Supplier of all latent defects as soon as they come to light within the normal course of business. Supplier waives the right to plead delayed notification of defects in connection with the foregoing **Section 4(1)b, sentences 1–3**.

(2) Quality standards and documentation of hazardous materials

- a) Supplier undertakes to comply with generally accepted engineering practice, legal provisions, regulations, safety rules, general safety standards and agreed technical data prevailing at the time of delivery.
- b) Purchaser is not obliged to accept hazardous materials if Supplier does not provide a safety data sheet complying with the relevant legal provisions and regulations (e.g. the GGVSEB German Regulations on the Transportation of Hazardous Materials by Road,

Railway and Inland Waterways, the KrWG German Waste Management Act) prevailing at the time of delivery.

5. Prices, taxes and dues, terms of payment

(1) Prices

- a) The prices specified in each Order are agreed as fixed prices and are legally binding. Prices apply to the entire execution of an Order and may not be altered or have surcharges imposed by Supplier without Purchaser's prior written approval.
- b) Unless otherwise agreed in writing, agreed prices include the freight prepaid delivery of Deliverables including packaging.

(2) Taxes and dues

The prices specified in each Order are net prices and do not contain sales tax. The taxes and dues imposed must be indicated separately by Supplier.

(3) Terms of payment

Unless otherwise agreed in writing, Purchaser shall pay the agreed price either:

- a) Within 14 days calculated from delivery and the receipt of a proper and verifiable invoice with a cash discount of 3%, or
- b) Within 30 days of delivery and the receipt of invoice with no discount.

6. Warranty, warranty period, warranty limitation period

(1) Warranty claims

- a) Purchaser's statutory warranty claims, including the right to cancel the contract and claim damages, are not restricted in any way.
- b) In the event of a defect, Purchaser is in particular entitled to require at his discretion Seller to repair or replace the rejected Deliverables (irrespective of whether the contract was concluded as a contract of sale or a contract for work and services) unless Supplier proves that the chosen manner of supplementary performance would cause him unreasonable costs. Purchaser explicitly reserves the right to claim damages, especially damages instead of Deliverables.

(2) Substitute performance

Subject to agreement with Supplier, rejected Deliverables may be repaired or replaced by Purchaser himself or a third party acting on his behalf. This shall also apply to rejected services if Supplier fails to meet his obligation to re-perform them within a reasonable deadline set by Purchaser. If there is immediate danger, rejected Deliverables may be repaired, replaced or re-performed by Purchaser himself or a third-party on his behalf without the need for Supplier's prior approval.

(3) Warranty limitation period

The warranty limitation period shall be 36 months beginning with the passage of risk and title unless a longer period is provided for by the law and the compulsory provisions contained in Sections 478 and 479 BGB German Civil Code apply.

7. Indemnity, insurance, notification

(1) Indemnity

In the event of product defects, Supplier shall indemnify, defend and hold harmless Purchaser upon first demand against all claims for compensation by third parties if the cause lies in Supplier's domain and he would be liable to third parties. The payment of compensation by Supplier to Purchaser shall be governed by the principles of Section 254 BGB German Civil Code.

(2) Insurance

Supplier undertakes to maintain product liability insurance with lump sum cover of at least €3 million per liability case (personal injury/property damage). Purchaser's claims for additional compensation shall remain unaffected by the existence of insurance coverage.

(3) Notification

Should Supplier become aware of accidents or other incidents relevant to the product safety of delivered goods, he must notify Purchaser without delay and forward to him all documents at his disposal.

8. Intellectual property rights

(1) Purchaser's intellectual property rights

If Purchaser makes illustrations, drawings, models, templates, calculations and other documents and/or information available to Supplier in connection with an Order or for the execution of the contract, this shall not constitute the transfer or licensing of any patents, trademarks, copyrights or other industrial property rights or trade secrets by Purchaser to Supplier with the exclusion of the non-exclusive, nontransferable, non-sublicensable right of use solely for the purpose of rendering Deliverables on Purchaser's behalf.

(2) Third-party intellectual property rights

- a) Supplier warrants that Deliverables rendered by him and their contractual use will not infringe any third parties' intellectual property rights or applications for intellectual property rights.
- b) Supplier will indemnify, defend and hold harmless Purchaser against all third-party action regarding the infringement of any intellectual property rights or applications for intellectual property rights within the scope of Supplier's warranty under Section 8(2). Supplier's obligation of indemnification shall cover all necessary expenses incurred by Purchaser in connection with third-party claims, including reasonable costs of legal proceedings.
- c) Purchaser may not accept third-party demands or reach a settlement without Supplier's prior approval. Said approval may not be withheld or delayed by Supplier without good cause.
- d) Purchaser's claims under the warranty in Section 8(2) shall be time-barred after 36 months calculated from the passage of risk and title unless a longer period is provided by the law.

- e) Purchaser and Supplier agree to notify each other without delay of all risks of infringement or alleged cases of infringement which become known to them.

9. Ownership

(1) Purchaser's ownership, provision of materials, combination, conversion, inseparable mixing

- a) Purchaser reserves all rights to his illustrations, drawings, models, templates, calculations and other documents and information he entrusts to Supplier; the aforementioned documents and information may solely be used by Supplier for the rendering of Deliverables. At Purchaser's request, and at the latest following the completion of the contractual relationship, they are to be returned to Purchaser unsolicited.
- b) Purchaser shall retain title to for example all materials provided to Supplier. Any processing or conversion by Supplier shall be deemed to have been carried out on Purchaser's behalf. If items belonging to Purchaser are combined with goods owned by a third party, Purchaser shall acquire joint title to the new goods pro rata to the ratio of the value of Purchaser's items (purchase price plus sales tax) and the third-party goods at the time of combining.
- c) If items belonging to Purchaser are inseparably mixed with goods owned by a third party, Purchaser shall acquire joint title to the new goods pro rata to the ratio of the value of Purchaser's items (purchase price plus sales tax) and the third-party goods at the time of mixing. Should Supplier's items be regarded as the main item following inseparable mixing, Supplier agrees to assign pro rata joint title to Purchaser. Supplier shall hold Purchaser's sole property or joint property in safe custody on Purchaser's behalf.

(2) Tools

- a) Purchaser reserves all rights, especially title, to all tools, molds and other production equipment (**'Production Equipment'**) made available to Supplier in connection with the execution of the contract. Production Equipment may only be used for the rendering of Deliverables and shall be held in safe custody by Supplier on Purchaser's behalf. Production Equipment is to be returned to Purchaser no later than following execution of the contract.
- b) Title to Production Equipment made by Supplier himself in order to execute an Order and for which Purchaser is separately invoiced in full shall pass to Purchaser when it is built. Should Purchaser only pay part of these costs, he will only acquire pro rata joint title. However, Purchaser has the right at any time to claim sole title to Production Equipment contemporaneously in return for payment of the outstanding costs. In this case, the Production Equipment shall initially be held in safe custody on Purchaser's behalf, may only be used to render Deliverables for him, and is to be transferred to Purchaser on demand, at the latest after the execution of the contract. If Purchaser only has joint title to the Production Equipment, the aforementioned provision shall only apply if Purchaser acquires sole title contemporaneously in exchange for payment of the outstanding costs.

- c) Supplier shall sufficiently insure Production Equipment against damage caused by fire and water and against theft. Supplier herewith assigns all claims arising out of such insurance to Purchaser. Purchaser accepts this assignment.
- d) Supplier shall carry out all servicing, inspection, maintenance and repair work on Production Equipment in good time at his own expense. Supplier must notify Purchaser without delay of any damage or breakdown suffered by Production Equipment.

10. Nondisclosure

- a) Supplier is obliged to treat all non-public commercial and technical details and trade secrets which become known to him in connection with an Order or the execution of the contract as well as any illustrations, drawings, models, templates, calculations and other documents and information made available to him by Purchaser in connection with an Order or the execution of the contract (**‘Confidential Information’**) as confidential. Confidential Information may only be forwarded, disclosed or otherwise made available to third parties if and to the extent previously agreed by Purchaser.
- b) Confidential Information may only be electronically stored and reproduced by Supplier to the extent necessary for proper execution of the contract.
- c) Following contract execution, Purchaser is obliged to return Confidential Information to Purchaser or to destroy it at Purchaser’s request and to provide him with verification that it has been destroyed.

(2) Continuation of nondisclosure

The nondisclosure obligation shall continue to apply following the fulfilment of all contractual obligations, but for no more than five years after the last Confidential Information has been conveyed and all contractual obligations have been discharged. It shall expire if and to the extent that Confidential Information has become generally known without the nondisclosure obligation having been breached by Supplier,

11. Miscellaneous

(1) Place of performance

Unless otherwise agreed in the Order, the place of performance is Möckern.

(2) Applicable law

The contract and any related non-contractual claims are governed by the Law of the Federal Republic of Germany to the exclusion of CISG (United Nations Convention on Contracts for the International Sale of Goods) and the conflict-of-laws provisions.

(3) Place of jurisdiction

The courts with local jurisdiction for Munich shall have exclusive jurisdiction over all contractual and related non-contractual disputes. This shall still be the case even if Supplier has his statutory seat or his administrative headquarters outside the Federal Republic of Germany.