General Terms and Conditions of Purchase

1. General information

1.1. These Terms and Conditions of Purchase shall apply exclusively to any current and future deliveries and other services as well as for any offers and payments from and to KNAPP, even if no explicit reference is made.

1.2. Deviating terms and conditions of the SUPPLIER shall only be valid if KNAPP expressly recognizes them in writing. If KNAPP should refer to offer-related documents of the SUPPLIER in its purchase order, this does not imply acceptance or recognition of the SUPPLIER's terms and conditions.

1.3. If the SUPPLIER does not object to KNAPP's General Terms and Conditions of Purchase at the first opportunity, they shall be deemed accepted.

2. Packaging

2.1. The packaging shall be included in the purchase price. All damages resulting from inappropriate packaging shall be borne by the SUPPLIER. The existing official regulations, especially the requirements for design and labelling of the packaging must be observed for the delivery of dangerous goods.

2.2. The scope of services shall also include handover of the clean and tidy installation site as well as disposal of installation and packaging materials and any other cleaning activities required.

3. Documentation

3.1. All documents accompanying the SUPPLIER's services and supplies of a written, graphical or other nature are considered documentation, which serves to ensure that the SUPPLIER and KNAPP can fulfil their obligations towards their contractual partners in a timely manner. Such documents relate to manufacturing, quality control, risk assessment, safety regulations, shipping, export, customs clearance, storage, installation, training, operation, repair, maintenance, procurement of spare parts, et cetera. The documentation to be delivered by the SUPPLIER shall be specified separately by KNAPP and must be delivered to the location designated by KNAPP.

3.2. Documentation forms an integral part of the scope of supplies and services of the SUPPLIER. If the SUPPLIER does not deliver the documentation in due time and in line with the requirements of KNAPP and the specified standards, directives etc., KNAPP shall be entitled to claim a contractual penalty in accordance with point 5.8.

3.3. If a CE conformity declaration or a declaration of incorporation are required for the supplies or services, the SUPPLIER shall be responsible for supplying the CE declaration, providing KNAPP with corresponding proof of this and providing KNAPP with the required documentation both in the language of KNAPP's customer (End Customer) and in German. The SUPPLIER shall bear liability for damage arising from errors in the translation.

3.4. Any drawings, tools, forms etc. that KNAPP provides to the SUPPLIER shall remain the property of KNAPP and may not be passed on to third parties and the SUPPLIER acknowledges that these materials are protected under copyright law exclusively for KNAPP. These materials must be returned to KNAPP upon delivery or cancellation of the order.

4. Deliveries and services, delays

4.1. The supplies and services must correspond to the most recent valid versions of the applicable laws, regulations, directives, standards, etc., in particular, the SUPPLIER must observe the provisions effective in the country of fulfilment.

4.2. The SUPPLIER confirms it has informed itself unequivocally and sufficiently of the project goal, performance requirements, general conditions etc., as well as regarding the scope and extent of this project and that it has fully taken this information into account in preparing the offer.

4.3. As the case may be, the SUPPLIER provides supplies and services which form part of a complex complete system to be installed. Problems in individual services of the SUPPLIER in such case usually result in problems in the overall project. The SUPPLIER therefore in fulfilling its order, undertakes to exercise special care and diligence to meet the requirements of these circumstances. In particular the SUPPLIER shall provide all information which is to be considered for the fulfilment of the order.

4.4. Deliveries and shipments shall be made free of charge, at the cost and risk of the SUPPLIER, to KNAPP or to the place of destination specified by KNAPP (INCOTERMS 2010 – DDP). The SUPPLIER shall take out third-party liability insurance and transportation insurance, which must also include the unloading process. In addition, KNAPP reserves the right to demand the submission of specific insurance confirmations from the SUPPLIER.

4.5. Each consignment shall also include a delivery note indicating the exact contents. A copy of the shipping documents shall then be delivered to KNAPP.

4.6. In the event of missing or incomplete shipping documents, in particular missing order data that require confirmation, KNAPP reserves the right to refuse acceptance of the goods at the expense and risk of the SUPPLIER.

4.7. The SUPPLIER acknowledges that time is of the essence and hence compliance to the deadlines is essential for the fulfilment of the Contract. In consideration hereof, the SUPPLIER shall make every reasonable effort to mitigate any delays. As soon as a delay in the implementation of the schedule becomes evident to the SUPPLIER, the SUPPLIER shall inform KNAPP immediately, without prejudice to any rights and claims on the part of KNAPP, and submit an updated schedule and an action plan for meeting the new milestones.

4.8. Before the SUPPLIER delivers the scope of supplies and services, KNAPP shall be entitled to perform a test involving the inspection or testing of these services at the SUPPLIER's facilities ("factory test").

4.9. If the SUPPLIER does not meet the agreed dates or deadlines, KNAPP is entitled to impose upon the SUPPLIER a contractual penalty from the applicable date until the actual deliver date, of 0.5% per week for every calendar day that commences up to the actual date of delivery, with a maximum of 10% of the total purchase price, and to charge this amount to the SUPPLIER or deduct the amount from the SUPPLIER's invoice. The obligation to pay a contractual penalty neither releases the SUPPLIER from its obligation to supply goods and/or services under this Contract nor excludes the right of KNAPP to assert further damages, nor restricts any other rights or remedies of KNAPP available under this Contract or applicable law. .

4.10. The costs of any export licences required for the supplies and services, in particular for export to the country of the End Customer, shall be borne by the SUPPLIER.

4.11. KNAPP has the right to demand that the SUPPLIER discontinue further execution of the order at any time. In such a case, the SUPPLIER must detail to KNAPP the resulting consequences and offer KNAPP the most economical change to the project execution schedule. The SUPPLIER shall make no claims against KNAPP for interruptions that last a maximum of 3 months.

5. Acceptance

5.1. The testing, examination and acceptance procedures shall be carried out based on the procedures specified by KNAPP under the conditions defined by KNAPP.

5.2. The Contract conformity of the supplies and services shall be verified in the performance test for the entire system. However, KNAPP is entitled to perform additional special tests for checking the supplies and services. Any costs or expenses incurred by KNAPP in terms of personnel, materials, operating resources etc. due to unsuccessful performance tests shall be borne by the SUPPLIER.

5.3. Should acceptance not be granted within an appropriate period of time for reasons which are the SUPPLIER's responsibility, KNAPP is entitled to demand a contractual penalty as per point 5.8 or demand a price reduction or withdraw from the Contract while preserving possible claims for damages.

6. Force majeure

6.1. The contractual parties shall be entitled to cease fulfilment of their contractual duties if such fulfilment is rendered impossible or unreasonably complicated through unforeseeable circumstances outside of the parties' control. The contractual parties shall provide a statement to the respective other contractual party within three days of the onset of such circumstances, detailing the reason for the delay, the start date of the delay and, to the extent possible, the expected impact and length of the delay. All efforts shall be taken to overcome and reduce the difficulties encountered and any foreseeable damage. The other party shall be informed accordingly.

6.2. Should the interruption last longer than three months, KNAPP shall be entitled to declare its withdrawal from the Contract, setting a deadline of 14 days. The services rendered by the SUPPLIER up to this point shall be charged according to the expenses already incurred. Neither contractual party shall be liable to the other party for the consequences of any adverse effects on the fulfilment of the Contract arising from force majeure.

7. Price/terms of payment

7.1. For remuneration, the contractual parties agree upon a fixed price exclusive of VAT, which includes all expenditures of the SUPPLIER in connection with the fulfilment of the supplies and services, including any work or services performed prior to conclusion of the Contract. KNAPP shall only bear such costs that are expressly stated in the corresponding contractual documents as the obligation of KNAPP. The terms and conditions as stipulated for the main order shall also apply to any expansions to the purchase order or to supplemental orders as well as to orders for spare parts and wear parts.

7.2. KNAPP shall be entitled to offset any outstanding claims against any claims of the SUPPLIER, even for other projects, if the SUPPLIER does not fulfil its obligations in spite of being requested to do so and in spite of a reasonable grace period.

7.3. All payments shall be made within 30 days of receipt of the invoice with a 3% discount, or net within 60 days upon receipt of the invoice and after fulfilment of all requirements stated in the order. Generally, payments shall become due only after the SUPPLIER has submitted all required guarantees. Payments by KNAPP shall not represent acceptance of the correctness of the delivery, documentation or services rendered, and thus does not represent a waiver by KNAPP of its right to assert claims for non-performance on any legal grounds.

7.4. Upon submission of the invoice, the SUPPLIER shall provide KNAPP with a performance guarantee or a guarantee for warranty obligations, which must be irrevocable and valid over the entire time period agreed and which the SUPPLIER shall provide at first request.

8. Termination of the contract

8.1. Notwithstanding any other rights and measures under this contract or applicable laws, KNAPP shall, by notifying the SUPPLIER in writing, and

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upon setting a grace period of no more than 14 days, be entitled to withdraw either from the entire unfulfilled Contract or only from individual items thereof, if the SUPPLIER has committed a serious breach of Contract. In particular, if the SUPPLIER fails to perform or continue the contractually agreed services or if defects and defectiveness remain despite granting a grace period or the SUPPLIER is in default for an extended period of time as well as if the SUPPLIER should refuse fulfilment of the contract. KNAPP shall invoice the SUPPLIER for any resulting costs or expenses incurred.

8.2. Alternatively, KNAPP shall have the right to carry out substitute performance at the expense and risk of the SUPPLIER following one written request to the SUPPLIER and setting a grace period of 14 days (from receipt of the notice), or immediately in the case of imminent danger.

8.3. KNAPP shall be entitled to terminate the contract at any time, in whole or in part, without cause subject to a grace period of no more than fourteen (14) days. KNAPP, shall in this case, pay the SUPPLIER for supplies and services already rendered, as well as all proven costs incurred by the SUPPLIER that have been acknowledged by KNAPP and that were incurred prior to the notice of contract termination being served. Upon receiving notice of contract termination, the SUPPLIER shall make every effort to keep the costs as low as possible. KNAPP shall not assume any liability towards the SUPPLIER for any consequences of contract termination, particularly not for lost profit.

9. Warranty

9.1. In addition to the expressly specified or otherwise explicitly or conclusively agreed upon characteristics, (in particular functionality, performance or generally required characteristics), the SUPLLIER represents and warrants that all supplies and services are performed with the necessary due dilligence, skill and care and in accordance with the applicable laws, good industry standards and guidelines and the terms and conditions of this Contract. Furthermore, the SUPPLIER represents and warrants that thesupplies and services shall be fit for its purpose and be free from defects in design, material and workmanship during the warranty period in accordance with Annex ./6. In particular, the SUPPLIER shall also ensure that the supplies and services are suitable for non-stop operation as part of the COMPLETE SYSTEM under the operating conditions in effect at the place of installation, that it observes all standards and official regulations applicable at the place of installation, that the system remains available without interruption while meeting the relevant performance values, and that the system's design is in line with the state of the art.

9.2. The warranty period shall begin with the pre-acceptance of the system through KNAPP and last a minimum of 24 months. The period shall be extended by any period in which the system or its individual components cannot be used. If parts are replaced or repaired, a new warranty period of the same length as for the initial delivery shall begin with the installation of the new part or completion of repairs. KNAPP shall have no obligation to inspect and test the supplies and services of the SUPPLIER prior to any stipulated function and performance tests. Throughout the entire warranty period, the SUPPLIER shall bear the burden of proof for demonstrating that any defects are not their responsibility.

9.3. The SUPPLIER must remedy any defects that occur at the installation location of its supplies before or during the warranty period within the shortest possible time either by replacing or repairing the relevant item. Any costs for improvement and replacement as well as any necessary services and incidental costs such as transport, customs duties, dismounting and mounting shall be rendered or borne by the SUPPLIER. In the event of serial defects, even if the defect has not yet actually occurred in all components/subcomponents of the deliveries, the SUPPLIER must also replace components that are not defective at this point at its own expense.

9.4. If the SUPPLIER fails to remedy defects or errors immediately after receiving the first written request from KNAPP, KNAPP may perform the remediation work itself or assign it to a third party; the costs shall be borne by the SUPPLIER.

9.5. The SUPPLIER guarantees that the spare parts package purchased by KNAPP and deemed necessary by the SUPPLIER shall be fully sufficient for the warranty period under continuous operation of the Complete System by the End Customer. Spare parts already delivered and no longer usable due to a modification or amendment shall be replaced by the SUPPLIER free of charge.

9.6. The SUPPLIER guarantees the availability of spare and wear parts for the item delivered for at least 10 years following the expiry of the warranty period, and in any case for the lifetime of the Complete System. If important spare parts are removed from the product range of the SUPPLIER, KNAPP must be notified in writing at least six months before the spare part is removed.

10. Liability

10.1. The SUPPLIER shall be responsible and liable towards KNAPP for all damage, cost and liabilities incurred by KNAPP culpably caused by the SUPPLIER´s or its vicarious agents´ breach of the Contract and shall indemnify and hold KNAPP harmless from and against any and all claims and liabilities asserted against KNAPP due to an act or omission of the SUPPLIER..

10.2. The SUPPLIER undertakes to insure itself adequately against all risks arising from theliability under this contract, including but not limited to product liability and shall submit proof of this insurance to KNAPP.The SUPPLIER shall deliver the cover note upon signing the Contract. The insurance policies shall be maintained over the entire course of the project until the end of the warranty period.

10.3. The conclusion of an insurance policy shall not limit in any way the obligations and the liability of the SUPPLIER arising from this point.

11. Confidentiality obligations / data protection

11.1. Trade and business secrets relating to the execution of the contract are to be treated as strictly confidential during the contractual relationship and following the termination, and no information, documents, documentation, drawings, sketches or other records may be passed on to third parties or otherwise made accessible without the express consent of KNAPP. KNAPP shall likewise treat all documents of the SUPPLIER as confidential.

11.2. The SUPPLIER is aware that the unauthorized use or disclosure of information can cause irreparable damage to KNAPP and can result in serious disadvantages for KNAPP to an unknown extent. In the event of such an unauthorized use or disclosure by the SUPPLIER, it must pay a contractual penalty payment in the amount of € 100,000.- (in words: one-hundred thousand euros) per breach; the SUPLLIER acknowledges this amount as appropriate. To the extent that KNAPP can prove that the actual damage is higher than the contractual penalty, the SUPPLIER is liable for all the damages. Moreover, KNAPP also reserves the right to make use of any other available legal remedies. Furthermore, the SUPPLIER must immediately return all information provided.

11.3. Both parties to the Contract undertake to comply with all the current valid relevant data protection regulations, particularly the latest valid legislation for data protection in the European Union (i.e., 95/46/EG) as well as the corresponding applicable national implementing rules, and will impose this obligation if necessary on its business partners. If authorities require personal data, it may be provided to these authorities only and must subsequently continue to be carefully guarded by the contractual partner.

11.4. KNAPP, or a third party authorized by KNAPP, has the right to view the business premises of the SUPPLIER, in which the services pertaining to the subject of the Contract are carried out, during the normal business hours of the SUPPLIER and to convince itself of the compliance to the legal requirements and this agreement, especially the implementation of standards for quality management, environmental protection and safety, as well as data security and data protection in the relevant areas. Such an examination can include checking internal guidelines, processes, procedures, books and other documents. The SUPPLIER shall support the audit within reason to achieve the respective purpose of the audit. This shall be carried out so that the examination does not unreasonably impede the SUPPLIER's daily business, or cause inappropriately high costs for the SUPPLIER

12. Rights of use

12.1. For any software included in the scope of supplies and services of the SUPPLIER, KNAPP receives an irrevocable, non-exclusive, transferable, temporally, spatially and materially unrestricted right of use, which is included in the contract price..

12.2. For software (analysis, concepts, individual software including the associated documentation, hardware developments) individually developed for KNAPP, the SUPPLIER shall transfer exclusively to KNAPP all transferable property rights and rights of use to the services rendered for all utilisation options that are known at this point, or for utilisation options that become known at a later point as they are created, at no extra cost. The transfer shall be effective for all rights of use irrespective of time, location, the intended purpose and any other factors and shall also be effective following the termination of the Contract on whatever grounds.

12.3. For project-related work results (analysis, concepts, individual software including the associated documentation, hardware developments) originally not included in the scope of supply but arising (incidentally) from the fulfilment of the Contract by the SUPPLIER, KNAPP receives a temporally, spatially and materially unrestricted right of use. This includes all current and further types of uses as well as the right to edit.

12.4. At the request of KNAPP, the SUPPLIER undertakes to deposit the source code of the software to be delivered to KNAPP with an institution stipulated by KNAPP under the terms of KNAPP.

12.5. The SUPPLIER shall ensure that KNAPP´s use of its supplies and services under this Contract is not limited by the assertion of third party rights (brands, patents, models etc. or any other registered or unregistered intellectual property rights) and is not in breach of any existing third party rights. Should such limitations or infringements be asserted, the SUPPLIER shall indemnify and hold KNAPP harmless from and against any and all claims braught agains KNAPP from third parties and either guarantee KNAPP the unrestricted use of the subject of the contract or provide alternatives free of charge according to the following.

13. Other provisions

13.1. The assumption of risk for and title to supplies and services rendered under this Contract shall remain with the SUPPLIER until pre-acceptance of all supplies and services, and shall pass to KNAPP thereafter.

13.2. The SUPPLIER shall not commission third parties with the fulfilment of these services or elements thereof without the written consent of KNAPP. KNAPP shall reserve the right to decline subcontractors, but not

without providing justified reasons. The SUPPLIER shall in any case be liable towards KNAPP for the supplies and services of its subcontractors under the same conditions as for its own supplies and services.

13.3. The SUPPLIER is responsible for the compliance with labour law requirements and any other applicable duties stipulated by law in respect of his employees or subcontractors, as well as for the technical and safety-related instruction of this employees and subcontractors

13.4. The rights and duties arising from this Contract shall be passed on where appropriate to the legal successors of the corresponding contractual party. KNAPP shall have the option of terminating this Contract with immediate effect after becoming aware of the SUPPLIER´s legal succession.

13.5. The issuance of liens, rights of retention or other securities on parts ordered by KNAPP and on supplies and services or elements thereof shall be excluded.

14.Place of jurisdiction

14.1. This Contract is exclusively subject to the law of the Republic of Austria, to the exclusion of the conflict-of-law rules of private international law and the United Nations Convention on Contracts for the International Sale of Goods (CISG).

14.2. Any disputes arising in connection with or as a consequence of this Contract, and should these not be settled mutually within 30 days, the disputes shall be finally resolved in accordance with the rules of arbitration and conciliation of the International Court of Arbitration of the Austrian Federal Chamber of Commerce in Vienna by one or more arbitrators nominated in accordance with this rule.

14.3. The contractual parties agree that KNAPP shall also be entitled to assert claims against the SUPPLIER in the proper legal process under Austrian substantive law, instead of through an arbitration panel (under exclusion of the United Nations Convention on Contracts for the International Sale of Goods). The place of jurisdiction is Graz.

15.Severability clause

15.1. Should provisions of this contract be or become invalid or unenforceable in part or in whole, or should this Contract contain an omission, this shall not affect the validity of the other provisions of this Contract. Ineffective or unenforceable provisions shall be replaced by the parties by valid or enforceable provisions that come as close as possible to the intended purpose and the intentions of the parties to the contract

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