

GENERAL TERMS AND CONDITIONS OF SALE AND DELIVERY
EUREC ENVIRONMENTAL TECHNOLOGY GMBH

Section 1 General, scope of application

(1) All deliveries and other services between EuRec Environmental Technology GmbH ("Seller") and its customers ("Buyer") are exclusively subject to the following general terms and conditions of sale and delivery ("GCSD"). They shall only apply if the Buyer is an entrepreneur (Section 14 of the German Civil Code), a legal entity under public law or a special fund under public law.

(2) These GCSD shall also apply as a framework agreement to future contracts for the sale and/or delivery of movable goods ("Goods") with the same Buyer, without the Seller having to refer to them again in each and individual case. The processing of personal data, which is explained in the data protection declaration on the Seller's website, is necessary for the provision of services.

(3) Deviating, conflicting or supplementary general terms and conditions of the Buyer shall only become part of the contract if and to the extent that the Seller agrees to their validity in writing. The GCSD shall also apply if the Seller carries out the deliveries or services without reservation in the knowledge that the Buyer's terms and conditions conflict with or deviate from these GCSD.

(4) Individual agreements made with the Buyer in individual cases (including collateral agreements, supplements and amendments) shall take precedence over these GCSD. Such individual agreements made between the Seller and the Buyer for the purpose of executing a contract must be recorded in writing or confirmed by the Seller in writing.

(5) Legally relevant declarations and notifications to be made by the Buyer to the Seller after conclusion of the contract (e.g. setting of deadlines, notification of defects, declaration of withdrawal or reduction) must be made in writing in order to be effective, unless otherwise stipulated in these GCSD.

(6) The statutory provisions shall apply insofar as they are not directly amended or expressly excluded in these GCSD.

(7) Deadlines determined by days and specified in these GCSD shall be calculated on the basis of calendar days, unless the period is expressly stated on the basis of working days.

Section 2 Conclusion of contract

(1) Until final order confirmation, contract offers of the Seller are subject to confirmation. They apply plus the statutory sales tax.

(2) Property rights and copyrights to cost estimates, drawings, models, illustrations and other documents - also in electronic form - shall remain with the Seller; they may only be reproduced or made accessible to third parties with the prior written consent of the Seller. Drawings and other documents belonging to offers, including all copies thereof, must be returned by the Buyer to the Seller upon request without undue delay.

(3) The order of the Goods by the Buyer is considered as a binding contract offer. Unless otherwise stated in the order, the Seller shall be entitled to accept this binding contractual offer within two (2) weeks after its receipt. The object of the contract is exclusively the sold Goods with the characteristics and features as well as the intended use according to the corresponding product description. Other or more extensive characteristics and/or features or intended uses shall only be deemed to have been agreed if they have been confirmed in writing by the Seller.



(4) The contract including these GCSD shall not be concluded until the Buyer has accepted the Seller's binding offer in due time or the Seller has accepted the Buyer's binding order or offer in due time and confirmed it in writing. Such written confirmation by the Seller shall not be required if it was not to be expected under the circumstances or if the Buyer has waived it.

(5) The documents on which the offer or order confirmation is based, in particular illustrations, drawings, descriptions of the machines, are to be understood only as approximate values, unless they are expressly designated as binding values. The aforementioned provisions shall apply *mutatis mutandis* to the Buyer's documents; these may, however, be made accessible to third parties to whom the Seller has permissibly engaged in the production of the delivery item or to whom the Seller has transferred the delivery.

Section 3 Prices, terms of payment, default of payment

(1) The prices are EXW ex warehouse (INCOTERMS in their version valid at the time of conclusion of the contract apply for interpretation) plus statutory value-added tax, packaging and other delivery and transport costs. Any customs duties, fees, taxes and other public charges shall be borne by the Buyer. The deduction of discounts requires a special written agreement. Changes in design or form of the Goods, which result from the improvement of technology or from legal regulations, as well as minor other deviations, shall be permissible provided that they do not impair the usability for the contractual intended purpose of the Goods and the changes are reasonable for the Buyer. The Seller will clarify these deviations at the Buyer's request. The Buyer's payment obligation shall remain unaffected thereby.

(2) The payment is due as follows:

- a) For machines, 40% of the invoice amount within five (5) days as from order confirmation, 60% in the case of readiness for dispatch at the warehouse;
- b) For services within ten (10) days as from invoicing; or
- c) For spare parts within 20 days as from delivery.

The invoice shall be deemed to have been received at the last invoice address provided by the Buyer at the latest three (3) working days after the invoice date. If the payment deadline is exceeded, the Buyer shall automatically be in default of payment without the need for a separate reminder from the Seller. As default of payment interest, the Seller shall be entitled to demand 9% above the respective base interest rate from the Buyer.

(3) Payments shall only be deemed to have been effected when the invoice amount is finally available on an account of the Seller. Cheques and bills of exchange shall not be deemed payment until they have been honored and credited to the Seller's account. The acceptance of bills of exchange always requires a prior written agreement. When accepting bills of exchange, the bank discount and collection charges will be charged, which are to be paid immediately by the Buyer.

(4) If the Seller takes into account the Buyer's requests for changes, the Buyer shall bear the additional costs incurred as a result.

(5) The Seller reserves the right to use payments of the Buyer to settle the longest-standing invoice items plus the default of payment interests and costs accrued thereon in the following order: costs, interest and principal claim.

(6) If payment by the Buyer is not made in due time and also not within a reasonable grace period set by the Seller, the Seller shall be entitled to retrieve the Goods and claim damages in the amount of 15% of the agreed remuneration and compensation for use. The Buyer shall be entitled to prove a reduced damage. The amount shall be set off against any claims for damages the Buyer may have against the Seller.



Section 4 Set-off, right of retention

Offsetting and the assertion of a right of retention by the Buyer are excluded, unless the counterclaim on which the offsetting or the right of retention is based is undisputed or legally determined. The Buyer is only entitled to exercise a right of retention insofar as his counterclaim is based on the same legal relationship. In the event of defects in the delivery, the Buyer's counter rights, in particular in accordance with Section 10 of these GCS, shall remain unaffected.

Section 5 Delivery period, delay in delivery

(1) As long as a fixed delivery date has not been agreed individually or is not expressly stated by the Seller upon acceptance of an order, the Seller shall endeavor at all times to deliver as quickly as possible. The delivery period begins on the date of the order confirmation, but not before receipt of all documents, approvals, releases required for the execution of the order and, if agreed, the payment of a deposit.

(2) If the Seller is unable to meet delivery deadlines for reasons for which the Seller is not responsible (e.g. due to force majeure, unavailability of the service or raw materials, etc.), the Seller shall inform the Buyer thereof promptly and at the same time inform the Buyer of the expected new delivery deadline. The agreed delivery time is not a fixed date and may be postponed by up to two (2) weeks.

(3) The default of a delay in delivery shall be determined in accordance with the statutory provisions.

(4) Compliance with the delivery deadlines requires the fulfilment of the Buyer's contractual obligations. The delivery period shall be deemed to have been observed by the Seller, if readiness for dispatch at the warehouse has been notified before its expiry or if the Goods have left the warehouse.

Section 6 Delivery, transfer of risk, acceptance, default of acceptance

(1) Delivery shall be made from the respective place of dispatch in accordance with the commercial clause stipulated in the contract, for which the INCOTERMS in the version valid at the time of conclusion of the contract apply. Unless otherwise expressly agreed, performance of the contract shall be "ex warehouse" where also the place of performance is. The Goods will be shipped to another destination at the request and expense of the Buyer. Unless otherwise agreed, the Seller shall be entitled to determine the type of dispatch (in particular transport company, dispatch route, packaging) itself. Any additional costs incurred as a result of shipping modalities demanded by the Buyer shall be borne by the Buyer. The same shall apply to increases in freight rates occurring after conclusion of the contract, any additional costs for diversion, storage costs, etc., unless freight-free delivery has been agreed.

(2) The risk of accidental loss and accidental impairment of the Goods shall be passed on to the Buyer at the latest upon handover of the Goods. In the case of sale by delivery to destination, the risk of accidental loss and accidental impairment of the Goods as well as the risk of delay shall be passed on to the Buyer upon delivery of the Goods to the forwarding agent, carrier or other consignor. Delivery or acceptance shall be deemed to have taken place if the Buyer is in default of acceptance.

(3) At the Buyer's request and at the Buyer's expense, the Seller shall insure the consignment accordingly. The transport of the Goods is always insured by the Seller if they are transported by the Seller's vehicles. Partial deliveries are possible.

(4) If the Buyer is in default of acceptance, fails to cooperate or delays delivery for other reasons for which the Buyer is responsible, the Seller shall be entitled to charge the Buyer a lump sum of 10% of the agreed remuneration, unless the Buyer proves that the resulting loss including additional expenses (e.g. storage costs) is lower. In that case, the Seller may demand this amount from the Buyer. The amount shall be set off against any claims for damages the Seller may have against the Buyer.



Section 7 Force majeure, contractual obstacles

(1) Force majeure of any kind, unforeseeable operational, traffic or delivery disruptions, fire, explosion, natural catastrophes, flood or low water, unforeseeable shortage of labor, energy, raw materials or auxiliary materials, strikes, lockouts, war, political unrest, acts of terrorism, official decrees, incorrect or untimely delivery by suppliers or other obstacles beyond the Seller's control for which the Seller is not responsible and which reduce, delay, prevent or render unreasonably the performance of the service, the availability of the Goods or the shipment, release the Seller from the obligation to perform for the duration and extent of the disturbance.

(2) In the event of partial or complete discontinuation of its sources of supply, the Seller shall not be obliged to obtain supplies from third-party suppliers. In this case, the Seller shall rather be entitled to distribute the available quantities of goods taking into account its own requirements and other internal and external delivery obligations.

(3) If the events within the meaning of Section 7 para. 1 last longer than six (6) weeks and in the event of not only minor disruptions, the Seller shall be entitled to withdraw from the contract in whole or in part; in this case, any consideration already paid by the Buyer shall be reimbursed without delay. In case of impediments of temporary duration due to events according to Section 7 para. 1, the delivery or performance periods shall be extended or the delivery or performance dates postponed by the period of the impediments plus a reasonable start-up period.

Section 8 Retention of title

(1) Until full payment of all present and future claims arising from the current business relationship between the Seller and the Buyer, including ancillary claims and claims for damages (together "secured claims"), the Seller shall retain title to the goods sold ("reserved goods").

(2) The Buyer is not entitled to pledge the reserved goods to third parties, to assign them as security, but the Buyer is entitled to resell the reserved goods subject to retention of title in the ordinary course of business. In this case, the Buyer hereby assigns to the Seller as security all claims to which he is entitled in the future against his customer as consideration for the resale of the reserved goods, including all ancillary claims; the Seller accepts this assignment. The Seller may collect the claims assigned to it in its own name if the Buyer is in default of payment with regard to the reserved goods, if an application for the opening of insolvency proceedings has been filed or if there is any other defect in its ability to pay the purchase price from which the Seller can derive a risk to the realization of its claims. In all these cases, the Seller may demand that the Buyer informs the Seller of the assigned claims and their debtors, provides all information necessary for collection of the claim, hands over the relevant documents and notifies the debtors (third parties) of the assignment.

(3) If the reserved goods are not resold and not further processed, the Buyer is obliged to carefully store the reserved goods for the Seller (in particular to store them separately from other goods), to maintain and repair them to the extent necessary at his own expense as well as to insure them against loss and damage at his own expense within the scope to be demanded from a prudent businessman as long as the retention of title exists. In the event of loss or damage to the reserved goods, the Buyer shall assign his claims arising from the insurance contracts or against third parties to the Seller.

(4) The retention of title shall extend to the products resulting from the processing, mixing or combination of the reserved goods in accordance with the following provisions: If, within the meaning of Sections 947 or 948 of the German Civil Code, the reserved goods are combined or inseparably mixed with other items not belonging to the Seller in such a way that one of the other items is to be regarded as the main product, it shall be deemed agreed that the Buyer assigns to the Seller co-ownership of the new item in proportion to the value of the reserved goods in relation to the other combined or mixed items and holds the co-ownership in safe custody for the Seller. The parties hereby agree on the transfer of ownership in this respect.



(5) In the event of breach of contract by the Buyer, in particular non-payment of the due purchase price, the Seller is entitled to withdraw from the contract in accordance with the statutory provisions and to demand the return of the Goods on the basis of the retention of title and the withdrawal.

(6) The Buyer shall immediately notify the Seller in writing of any pledges or other interventions by third parties regarding the reserved goods. The Buyer shall inform enforcement officers or third parties of the Seller's ownership of the reserved goods. The Buyer shall reimburse any judicial or extrajudicial costs incurred in connection with any such pledges or other interventions by third parties, unless the third party is responsible for the resulting costs.

(7) As far as it turns out during the assertion of claims for restitution against the Buyer that the reserved goods are no longer available, all claims from the business relations become due immediately. In such cases, any bills of exchange must be redeemed immediately in cash, irrespective of their due date.

(8) If more than 10% of the Seller's total liabilities to the Buyer are oversecured by the securities provided for in Section 8 of these GCS, the Seller shall, at the Buyer's request and at the Buyer's option, release securities up to the amount of the value exceeding 110% of the secured total liability.

Section 9 Complaint period

The Buyer shall notify the Seller of obvious defects immediately after delivery and of such defects that can be detected during a proper inspection of the Goods, at the latest within two (2) weeks after receipt of the goods in text form, specifying the exact description of the defect and submitting supporting documents (e.g. pictures). Transport damages are to be noted on the respective shipping documents. For hidden defects Section 377 para. 3 of the German Commercial Code applies; the complaint must also be made in text form to the Seller in this case and the defect must be precisely described by transmitting documents (e.g. pictures). If the Buyer fails to give notice of defects in due time, the delivery shall be deemed approved by the Buyer.

Section 10 Warranty

(1) If the delivered goods are defective and the Buyer has duly notified the Seller of this in fulfilment of his obligation to inspect and give notice of defects pursuant to Section 9, the Buyer shall be entitled to the statutory rights in accordance with the following provisions:

- a) The Seller shall initially have the right, at its discretion, to either remedy the defect or to deliver defect-free goods to the Buyer (subsequent performance). The Buyer shall give the Seller the time and opportunity required for the owed subsequent performance and, in particular, hand over the rejected goods for inspection. The Seller shall bear the expenses necessary for the purpose of the inspection and subsequent performance, in particular transport, travel, labor and material costs, unless the Buyer's demand for rectification of defects proves to be unjustified. The Seller shall not bear the costs of the subsequent transport of the goods to a location other than the Buyer's branch office. In the event of a replacement delivery, the Buyer shall return the defective item to the Seller upon request. Claims for reimbursement of dismantling and installation costs according to Section 439 para. 3 of the German Civil Code remain unaffected;
- b) The Seller reserves the right to two (2) attempts at subsequent performance. Should the subsequent performance fail or be unreasonable for the Seller, the Buyer may either withdraw from the contract or demand a reduction of the purchase price. In the case of an insignificant defect, however, the Buyer shall not be entitled to withdraw from the contract;
- c) For claims of the Buyer for damages or reimbursement of fruitless expenses Section 11 applies;
- d) The Buyer must not be in default of payment.



(2) The guarantee for brand-new goods that the goods are free of defects is limited to a time period of one (1) year, but not more than 2,000 operating hours, as from the transfer of risk to the Buyer. Used goods shall be carefully inspected before they are put on sale. There is no warranty for used goods.

(3) The Buyer shall only have the right to self-execution if the Seller permits him to do so in writing. If the self-execution is carried out after written permission by commissioning a third party, the Buyer shall inform the Seller within eight (8) working days after completion of this work if the Buyer has lodged a complaint regarding the work carried out. After expiry of this period, claims against the Seller in this connection shall be excluded. Unauthorized self-execution shall result in the loss of all warranty rights associated with this defect. In the event of a risk to operational safety and in order to prevent disproportionate damage, the Buyer shall have the right to remedy the defect by self-execution or have it remedied by third parties and demand reimbursement of the necessary costs from the Seller, provided that the Seller is in default subsequent performance after written notification of the circumstances.

(4) Within the framework of the warranty, the Seller shall not be liable for business interruptions or downtimes.

Section 11 Other liability

(1) The Seller shall not be liable - for whatever legal reason - for damages (including expenses) of the Buyer which were caused by (i) slight negligence of the Seller's executive bodies, its legal representatives, employees or subcontractors and (ii) gross negligence of its non-executive employees or simple subcontractors. This exclusion shall not apply to the breach of essential contractual obligations, the fulfilment of which is essential for the proper performance of the contract and on the fulfilment of which the Buyer may therefore regularly rely (cardinal obligations). Insofar as the Seller is liable for damages on the merits thereafter, its liability for all contractual, non-contractual and other claims for damages and reimbursement of expenses, regardless of its legal nature, shall be limited in amount to the foreseeable damage typical for the contract at the time of conclusion of the contract. Data protection claims are not covered by this liability provision.

(2) The above exclusions or limitations of liability shall not apply to claims based on injury to life, limb or health or to claims based on the German Product Liability Act. Thus, mandatory statutory liability regulations remain unaffected. They shall also not apply if the Seller has fraudulently concealed a defect or has assumed a guarantee for the quality of the goods.

(3) The Seller cannot be held responsible for any damage caused by circumstances referred to in Section 7.

(4) Insofar as an exclusion or limitation of liability exists in favor of the Seller pursuant to this Section 11, this exclusion or limitation of liability shall also apply to any claims of the Buyer against the organs, legal representatives, employees, staff, representatives, subcontractors and agents of the Seller for the same reason of liability.

Section 12 Premature payment date

(1) If facts become known which give rise to justified doubts as to the solvency of the Buyer, the Seller shall be entitled to demand full payment of all claims within a reasonable period prior to delivery. If the deadline expires without result, the Seller may withdraw from the contract. This can be averted by security performance. The Seller shall be entitled to refuse performance of the contract until payment has been made in full or until security has been provided.

(2) If the goods have already been delivered to the Buyer, the purchase price shall become due for payment within a reasonable period of time irrespective of agreed terms of payment.



Section 13 Limitation period

(1) The limitation period for claims based on defects shall be twelve (12) months, beginning as of the transfer of risk or the completion of the work by the Seller in the case of assembly and repair work. The prerequisite for the assertion of warranty rights is a proper maintenance of the goods in accordance with the operating instructions. Mandatory statutory limitation periods remain unaffected. The aforementioned limitation simplifications therefore apply neither to claims based on the assumption of a guarantee, to claims based on intent or gross negligence, to claims under the German Product Liability Act, to claims based on injury to life, limb or health nor to claims based on breach of cardinal obligations.

(2) Objections to statements of account (including annual accounts) shall be raised with the Buyer within one (1) month after delivery of the invoice. This does not apply to complaints due to hidden defects. In this case, an exclusion period of three (3) years shall apply. The obligation to pay open invoice amounts remains unaffected thereby.

Section 14 Guarantee

The agreement of a guarantee requires the written form and is only effective if it sufficiently describes the content of the guarantee as well as the duration and the territorial scope of the guarantee protection.

Section 15 Secrecy

The Buyer undertakes to maintain secrecy with regard to all business information and/or know-how of the Seller made known to him or become known to him, even beyond the duration of the business relationship. This shall not apply to information that is publicly known or has become known or received from third parties.

Section 16 Miscellaneous

(1) The inclusion and interpretation of these GCSO as well as the conclusion and interpretation of legal transactions with the Buyer shall be governed exclusively by the laws of the Federal Republic of Germany. The application of international uniform law, in particular the UN Convention on Contracts for the International Sale of Goods, is excluded.

(2) The place of jurisdiction for all disputes arising directly or indirectly from the contractual relationship is Bad Salzungen. However, the Seller is alternatively entitled to bring an action at the general place of jurisdiction of the Buyer.

(3) The invalidity of individual provisions of this contract or its components shall not affect the validity of the remaining provisions. The contracting parties shall be obliged to replace an invalid provision with a valid provision equivalent to its economic success, provided that this does not result in any material change to the contents of the contract; the same shall apply to loopholes in the provisions.

(4) In case of ambiguity or discrepancies between the German and the English version of these AVL, the German version shall prevail.

Merkers, 19.9.2019

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