

I. General:

1. These Conditions of Purchase of Hürner Luft- und Umwelttechnik GmbH (hereafter referred to as HLU) apply exclusively to our legal relationship with suppliers, sub-contractors, and service providers (hereafter referred to as Suppliers), unless HLU makes written acknowledgement of derogations therefrom or conditions of the Supplier.
2. They will apply as well in the event HLU unconditionally accepts the Supplier's performance in awareness of Supplier's conditions contradictory to or derogating from these Conditions of Purchase of HLU.
3. These Conditions of Purchase apply as well to all future transactions between HLU and Supplier, without the requirement of a renewed reference to these Conditions.

II. Orders, order acceptance, reimbursement

1. Supplier's bids must be submitted in writing and at no cost to HLU. Supplier will expressly advise HLU of any derogations from the latter's enquiry. Cost estimates will be reimbursed according to special prior agreement only.
2. Only written orders are legally binding. Telephonic or oral agreements must be confirmed in writing by HLU. Orders must be confirmed in writing to HLU immediately, but at the latest within three (3) business days following the order date.
3. Prices offered to HLU, unless expressly made otherwise, are delivery "free house", including packaging, insurance, and all customs and taxes. The agreed prices are fixed prices. Unless otherwise agreed in the purchasing memorandum, payment will be made within 14 days, calculated from delivery, with 3% discount or net after 30 days. Any overperformance or underperformance not made part of the offer must be separately itemised on the invoice. The selection of payment mode is left to HLU. Invoices must be submitted in duplicate, providing the order number, the item number, and the position number.
4. Supplier guarantees that it has observed and properly complied with all provisions of the customs laws. In particular, Supplier guarantees that all preference documents, certificates of origin, and supplier declarations have been properly issued. Supplier will hold HLU harmless from any and all recourse claims due to violation of the foregoing duties.
5. Supplier is entitled to assign or collect demands against HLU through third parties only with the express, written authorisation of HLU. The provisions of §354a HGB [German Commercial Code] are not affected thereby.
6. The entry into default of payment absent a warning is hereby precluded.

III. Scope of performance, performance, amendments

1. The scope of performance is specified in the respective individual order. Documents, reports, ideas, drafts, models, samples, and all other work product resulting from the provision of services are part of the contract performance. Performance results will be described in greater detail, if applicable, by means of term sheet, description of services, schedule, and other documents. Annexes referenced in the order are a component of the same.
2. Supplier is responsible to ensure that it is timely aware of all significant dates and circumstances which are material to fulfilment of its contractual obligations, including the intended use of its deliverables by HLU. Supplier guarantees that its deliverables comprise all services necessary for their correct, safe, and economical use, that they are suitable for their intended purpose, and that they correspond to the state of the art in science and engineering. In performing services, Supplier will observe all applicable standards, laws, and legal provisions, in particular the applicable environmental, hazardous substance, hazardous transport, and accident prevention provisions, including the generally recognised safety and occupational health rules and the factory standards of HLU. Supplier must declare to HLU its compliance with the necessary official authorisations and reporting duties for the introduction and operation of the deliverables.

3. HLU may, in its reasonable discretion, request that Supplier make changes to the construction and implementation of the deliverables. Supplier must make such changes within a reasonable time. Appropriate provisions will be mutually agreed respecting the effects of the foregoing, particularly in terms of additional and minimum costs and delivery dates. Should no agreement be reached within a reasonable time, HLU will make a decision in its reasonable discretion.
4. Supplier will ensure that, for a period of 10 years following termination of the supplier relationship, it will likewise be capable of supplying HLU with the deliverables, or parts thereof as spare parts, on reasonable terms.
5. Unless otherwise expressly agreed, partial performance is not permitted. In that case, HLU is entitled to cancel the remaining quantity.
6. If, upon expiration of the period stated in Article 4, Supplier terminates the delivery of spare parts, or terminates the supply of the deliverable within this period, HLU must be given the opportunity to place a final order.
7. Supplier bears the shipping risk until final receipt of the goods by HLU, or at the receiving centre named by HLU. In this case, special attention must be given to the named receiving centre outside of HLU's premises, in particular the specially designated location in the given building or construction site. Supplier will bear the costs accompanying any erroneous delivery.
8. The purchaser's order numbers, contact data for the local contact person, the delivery date, and the delivery location must be stated on shipping notices, delivery certificates, bills of lading, express goods coupons, and invoices.
9. Reservations of title are precluded.
10. Supplier guarantees that it will, at its own cost, properly dispose of and utilise the packaging accompanying the delivery in a proper manner, in compliance with applicable laws and regulations. The foregoing applies in particular to deliveries at third-party construction sites. Should Supplier culpably fail to comply with this duty within a reasonable time period set by HLU, HLU is entitled to independently initiate disposal or utilisation of the supplied packaging of the goods at Supplier's expense.

IV. Performance periods

1. The dates and periods listed in the order are binding. The delivery period begins with the order date. Advance deliveries are permitted only with the written authorisation of HLU. Receipt of the goods by HLU or the timeliness of completed acceptance is determinative of compliance with the delivery date or the delivery periods. Unless "free house" or "free site of use" is agreed, Supplier must render performance in compliance with the standard time for transport or shipment.
2. Should it become apparent to Supplier that the agreed periods cannot be maintained, it must immediately inform HLU of this fact in writing, giving the reasons for and duration of such delay. This will not affect HLU's legal rights.
3. Circumstances of force majeure will relieve Supplier only if it informs HLU in writing immediately upon becoming aware of this, stating the exact circumstances and the foreseeable amount of time by which the period will be exceeded, and there is no reasonable possibility of substitute performance by Supplier.
4. Should Supplier fail to meet the delivery date, HLU is entitled at its option and without setting a period for compliance to demand subsequent delivery or compensatory damages in lieu of performance for non-performance or faulty performance due, or to withdraw from the contract. In the case of default of delivery, a contract penalty in the amount of 0.5% of the contract value per business day is hereby agreed. The maximum contract penalty is limited to 5% of the contract value. The enforcement of additional claims is not affected thereby. The default penalty will be offset against any default damages actually occurring or asserted. The right to demand payment of the agreed contract penalty will not be

forfeit by the fact that the contract penalty was not expressly reserved upon acceptance of the delayed delivery.

V. Performance periods

1. Supplies remain the property of HLU and must be separately stored, labelled, and managed by Supplier at no cost. Their use is permitted only for the relevant individual order. In the case of diminished value or loss, Supplier must provide compensation and, for this purpose, must provide a policy of insurance at its own cost. The foregoing applies as well to the calculated transfer of materials bound to the order. At HLU's request, Supplier will return all confidential documents and items to HLU. Hold-back rights are precluded.
2. In the case of processing, mixing, and restructuring of the material, HLU is hereby made owner upon creation of the new, mixed, or restructured item. Supplier will preserve the new, mixed, or restructured item for HLU, using the standard of care of an ordinary businessman.
3. Models, tools, forms, etc. (hereafter, tools) required for the performance of contractual duties, or which are manufactured by Supplier, become the property of HLU upon their creation, even if the same remain in the possession of Supplier. Tools are thus to be considered as supplies belonging to HLU. HLU has the right to demand, in its sole discretion, that the tools be handed over to it or that Supplier scrap the tools at no cost to HLU. The scrapping of tools requires the written approval of HLU. Supplier will annually produce an inventory of forms, models, and tools provided by HLU for longer term use, and will provide such inventory to HLU without request.

VI. Subcontracting

1. Subcontracting to third parties is permitted only after obtaining the written authorisation of HLU.

VII. Confidentiality

1. Supplier promises to treat all non-public, commercial, or technical details of which it becomes aware during the course of the business relationship as trade secrets, and to protect the same from unauthorised access, use, or loss. All drawings, templates, samples, models, or other items transferred by HLU or prepared at HLU's expense are the property of HLU and may not be disclosed or transferred to any third party without the written authorisation of HLU. The reproduction of such items is permitted only within the context of operational necessity and the provisions of copyright law. Upon completion of the work, all documents and items transferred to Supplier must be returned to HLU without request in compliance with this confidentiality provision, or securely destroyed in consultation with HLU. Supplier will not retain or preserve any duplicates, copies, or the like unless it is obliged by law to maintain archives. Notwithstanding the assertion of other rights, HLU may demand return immediately upon Supplier's breach of its duties.
2. The BDSG [German federal data protection act] applies to the transfer of data. Supplier promises to obey all applicable laws. Should data processing occur, a separate data use agreement will be concluded with HLU.
3. Employees and subcontractors must be subject to a corresponding duty.
4. Unless otherwise agreed in the order, the confidentiality obligation will continue to exist five (5) years following delivery and performance.
5. Supplier may make mention of the HLU firm name or trademark in providing references or in other publications only if HLU has expressly authorised the same in writing.

VIII. Liability for defects

1. Unless the limitation period for defects liability claims has been separately agreed, Supplier warrants that its contract performance (products) will remain free of defects for a period of 24 months following acceptance of complete performance by HLU or the end customer, but in no case longer than 36 months from delivery of complete performance to HLU. For purposes of warranty periods, construction

projects are subject to the provisions of the BGB [German civil code] or the VOB, Part B [German construction contract procedures], as amended.

The limitation period for warranty claims applies irrespective of the operational period of use. Defects must be immediately reported by HLU, as soon as they are discovered during the ordinary course of business. In this respect, Supplier waives the plea of a delayed warranty complaints. A warranty claim tolls the limitation period for the complaint of defects with respect to a defective part of the delivery, until the complete remedy of the defect. Legal defects expire according to the statutory limitation period.

2. Supplier is likewise liable in the context of its warranty liability even if Supplier itself is not the manufacturer of the deliverable or parts of the same.
3. At its own option, HLU may assert the statutory warranty claims, demand substitute performance, or demand subsequent improvement. In the case of substitute performance or subsequent improvement, Supplier is obliged to immediately remedy the defect free destination at its own cost, or to provide performance again. Supplier will bear all accruing costs, including necessary transport and travel costs, in connection with the subsequent improvement or replacement.
4. In urgent cases, e.g. in risk of default or cases in which a performance obligation on the part of HLU requires immediate subsequent improvement, HLU may itself or through a third party, without setting a period therefor, implement subsequent improvement at the expense of Supplier. The same applies as well should Supplier deliver subsequent to the occurrence of default.
5. The limitation period begins anew for replaced parts. Should more than 10% of the goods in a delivery display defects, HLU is entitled to reject the entire delivery without inspecting the remaining goods, at Supplier's expense. Acceptance and payment by HLU do not mean that HLU has acknowledged that the goods are free of defects.
6. In all other respects, the statutory claims apply.

IX. Intellectual property rights

1. Supplier warrants that the items or services it provides do not infringe domestic or international intellectual property rights. Supplier promises to hold [Supplier] [HLU] and/or its customers harmless should any legal action for infringement of intellectual property rights be instituted against them, whether extrajudicially or by way of lawsuit. In the case of a lawsuit, Supplier must render legal assistance if requested. In addition, Supplier will reimburse any and all damages suffered by HLU and/or its customers resulting from the fact that they have relied on the free usability of the delivery items or services provided. Damages suffered by a customer of HLU will be reimburse by Supplier if and to the extent such customer asserts claims against HLU.
2. Supplier will not be liable if it manufactured the delivery items or provided services based solely on drawings and models provided by HLU, and did not know or have reason to know that the manufacture of such items or the provision of such services represented an infringement of rights for purposes of the foregoing.
3. Upon request, Supplier will identify all applications for intellectual property rights it used in connection with the delivery items or services provided. Should Supplier become aware of a violation of intellectual property rights, it must inform HLU with respect to the same immediately and without request to do so.
4. Should a product worthy of an application for patent result from the joint development between HLU and Supplier, then such intellectual property rights will pertain to both parties.

X. Product liability, release, liability insurance protection

1. Should Supplier be liable for product damages, it will be obliged upon first request to hold HLU harmless from claims for compensatory damages by third parties, insofar as the cause lies within Supplier's sphere of dominion and organisational control, and Supplier itself is liable externally. If, due to such product damages, recall measures are required, then Supplier will be correspondingly obliged to reimburse the expenses caused thereby. Supplier promises to purchase a policy of product liability

insurance in a blanket coverage amount of EUR 10 million per incident of damage to persons or property. Other claims by HLU remain unaffected.

XI. Other agreements

1. Should Supplier cease payment, or if application is made for insolvency proceedings over Supplier's assets or for judicial or extrajudicial composition proceedings, HLU is entitled to withdraw from the contract. In the absence of withdrawal, HLU may retain a minimum of 10% of the compensation as security for the contractual claims until the expiration of the contractual limitation period for defects claims.
2. Place of performance for deliveries and services is the offices of HLU, unless otherwise specified by contract.
3. Venue is in the courts having jurisdiction over HLU's offices. Notwithstanding the foregoing, HLU is entitled to take recourse to any lawfully competent court.
4. In addition to the foregoing terms, the law of the Federal Republic of Germany applies exclusively. The application of the harmonised UN CISG is excluded.
5. Should an individual provision be or become invalid, the validity of the remaining terms will not be affected.