

AZUR SPACE Solar Power GmbH  
Theresienstraße 2, 74072 Heilbronn

### **§1 – General Information; Scope of Application**

- (1) Our Purchasing Conditions exclusively apply; we do not accept the Supplier's conditions that are contrary to or that differ from our Purchasing Conditions unless AZUR SPACE has agreed the Supplier's conditions in writing. Our Purchasing Conditions shall also apply even if we accept without reservation a delivery from the Supplier knowing that the Supplier's conditions differ from our Purchasing Conditions.
- (2) All contractive arrangements between the Supplier and us for the purpose of execution of this Agreement put into writing in this Agreement.
- (3) Our Purchasing Conditions are applicable only in relation to trading entities as defined by §14, German Civil Code, if the Agreement is part of the trader's business, and in relation to public limited companies and special public funds as defined by §310, paragraph 1, German Civil Code.
- (4) Our Purchasing Conditions are also applicable to all future transactions with the Supplier.

### **§2 – Offer; Offer Documents**

- (1) Any order is binding only when confirmed in writing by AZUR or by verbal confirmation of an order issued by telephone or by means of any other telecommunications media. An order sent by automated media is deemed to have been issued in writing even if the signature and mention of the name are missing. We expressly reserve the right to email to the Supplier any orders and any release orders. If the order contains any obvious mistakes, e.g. in writing or calculating, then it will not be binding for us.
- (2) For all Suppliers that deliver products or services used in AZUR final products, Supplier is obliged to enter into a mutual Supplier Quality Agreement that ensures compliance with EN 9100.
- (3) Prior the formation of a contract, the Supplier has to inform us in writing if the goods ordered are subject to export control regulations or to any other restrictions upon marketability that are applicable in Germany. Otherwise, we are entitled to withdraw from the Agreement without the prior setting of any deadline, without regard to the Supplier's fault. Further claims are not excluded.
- (4) We are bound to our offer for a period of two weeks. Any later acceptance is equal to a new offer from the Supplier. The relevant date is the date on which we received the offer.
- (5) The order confirmation has to contain prices, discounts, binding delivery dates and the reference number and article numbers stipulated in our order.
- (6) Any deviation from our order, not even the slightest, is not deemed to have been approved by us unless we have given written approval. Then the contract become effective corresponding to the content of our order.
- (7) The Supplier's offers, cost estimates, drafts, specimens and samples are free of charge to us and do not set up any liabilities for us.
- (8) Payments or compensation for visits or preparation of offers, projects etc. cannot be charged, unless otherwise agreed.

- (9) Within the scope of reasonableness for the Supplier, we may require modifications to the product and/or any change in the delivery timeframe. Any effects in this context – with particular reference to increased costs, reduced costs and delivery deadlines – are subject to reasonable negotiation.
- (10) Framework contracts do not set up any obligation for the full extent of any order or for the full extent of acceptance, but merely represent our corresponding entitlement.

### **§3 – Prices; Payment Conditions**

- (1) The marked price is binding.
- (2) All prices are "carriage free" to the delivery address indicated by us, including freight charges, carriage, insurance, disposal and packing, in which context we are entitled to determine the nature of the packaging, the means of transport, the transport route and transport insurance. (DAP as defined by Incoterms 2020). The indicated prices are net prices exclusive of VAT at the legally applicable rate.
- (3) Invoices can only be processed, if they contain, in accordance with the specifications of our order, the order number shown on our order form. The Supplier is responsible for any consequences arising due to failure to fulfil this obligation, unless the Supplier can prove that such failure was not their fault.
- (4) Unless otherwise negotiated in writing, we shall pay the purchase price subject with a 2% discount within two weeks as from delivery and as from receipt of the invoice, or net within 30 days of receipt of invoice.
- (5) Invoices are to be sent in duplicate to our postal address upon dispatch of the goods, but separately from the goods. The order reference number and the date of order must be indicated in all invoices. Incorrectly issued invoices shall be regarded as not having been issued.
- (6) When a supply or a service is deemed to be free of VAT, the Supplier is obliged to provide (or to collaborate in the provision of) the required proofs. For supplies within the European Union, the Supplier has to communicate both their VAT identification number and entrepreneurial status and has to contribute to the provision of export certificates for accounting as well as approved vouchers.
- (7) We hold the legal extent of rights of offset and of retention.
- (8) In any case of defective delivery, we are be entitled to withhold a proportion of the value of payment pending correct fulfilment, without losing any of the granted discounts or similar pricing concessions. The deadline for payment commences after full rectification of any defects or deficiencies. Payments do not constitute an acknowledgement of the delivery.
- (9) In the absence of prior written approval – which cannot be unreasonably withheld – the Supplier is not entitled to assign their claims against us or to have such claims collected by third parties.

### **§4 – Delivery Timeframe; Delay in Delivery**

- (1) The period of delivery as stated on the order form is binding. Delivery periods shall run from the date of order acknowledgement. Relevant for compliance with the delivery date or the delivery deadline is receipt of the goods at our designated delivery address or point of use.

- (2) If delivery "carriage free" is not agreed, then the Supplier has to provide the goods in time, taking account of the time to be arranged with the forwarding agent for loading and dispatch.
- (3) The Supplier is under obligation to notify us promptly in the event of any circumstances arising or coming to its notice with the result that the stipulated delivery time cannot be met.
- (4) In the event of delivery delays, we are entitled to claim 0.5% of the agreed price of the entire delivery for each complete week, up to a maximum of 5%; we reserve the right to take further legal action (withdrawal and compensation for damages instead of performance). The Supplier is entitled to prove to us that no loss or only a significantly lower loss has been caused by the delayed delivery.
- (5) Our acceptance of delayed delivery of products or services without reservation shall not be construed as a waiver of any claims for damages we may have as a result of delayed delivery; this applies until the price owed by us for the relevant product or service has been paid in full.
- (6) If the agreed delivery time is not met, we are entitled – regardless of further claims in law – to withdraw from the Agreement after the expiry of a reasonable period of grace, which we may have set. If the delay is the Supplier's fault, then – at our own discretion – we may require compensation for the loss we have suffered due to the delay or (upon expiry of the abovementioned deadline) compensation in place of fulfilment, or reimbursement of our wasted expenditure.
- (7) Force majeure, industrial disputes or any other unavoidable, unforeseeable events, shall only release the supplier from its obligations for the duration and extent of its effects. The Supplier is obliged - within reasonable limits - to provide the necessary information promptly and to adapt their obligations in good faith to changed conditions. We are wholly or partially exempted from any obligation to accept the ordered supply/service, and – to that extent – we shall be entitled to withdraw from the Agreement if the supply/service caused by the delay due to the circumstances is no longer applicable/useful for us, taking account of account economic considerations.
- (8) In the event of any delivery arriving earlier than agreed, we reserve the right to send it back at the Supplier's expense. If we do not return an early delivery the goods are stored at our premises – at the Supplier's expense and risk – up until the agreed date of delivery.

#### **§5 – Delivery; Transfer of Risk; Packaging and Documentation**

- (1) We accept part deliveries only after express agreement. Where part deliveries have been agreed upon, the remaining quantity has to be indicated.
- (2) The goods must be accompanied by a delivery note in one copy, which must contain a detailed description of the order in terms of items, nature of products, weights and quantities, etc., but also according to our precise order details. If the Supplier fails to do so, delays – which we cannot be held responsible for – will inevitably arise in our processing.
- (3) The transfer of risk is assumed at the stated delivery address. If the Supplier is under obligation to install or to assemble the goods at our plant, the transfer of risk will only take place with implementing of the goods.
- (4) The place of fulfilment for the Supplier's obligation to take back goods as defined by §4, packaging regulations, is the place at which the goods are handed over.

- (5) Charged packaging – when returned and reusable – has to be fully credited to us. In all cases, the credit note must be presented in a single copy, indicating the invoice by which the original charge was presented.

#### **§6 – Examination for Defects; Liability for Defects**

- (1) All items delivered by the Supplier, and all provided services, must be state of the art, and be in accordance with respective legal regulations, regulatory requirements and directives by authorities, Employer's Liability Insurance Association as well as trade associations. Generally, recognised standards such as DIN, EN, ISO, VDI and VDE must be adhered to. Service providers must hold the appropriate qualifications/ certificates/ authorizations. In any given case where variations of the abovementioned regulations are necessary, the Supplier has to seek our written approval.
- (2) If the Supplier has reservations about the type of execution, then the Supplier should communicate these concerns at once in writing.
- (3) Acceptance of a delivery is always made subject to the reservation of inspection of quantity and quality. We are under obligation to examine the goods for any defects within a reasonable time. A notice of defect is considered to be in due time (in respect of recognisable defects) if done within a period of 10 business days on receipt of goods or (if the defect was not recognisable in the course of ordinary examination) within a deadline of five business days after its discovery.
- (4) In the case of consignments of goods, which are made up of a large number of the same products, we do not have to check more than 3% of the delivered goods for defects. If the goods are unsaleable due to inspection then a random sample of 0.5% of the supplied goods is adequate. If individual random samples from a consignment of products prove to be deficient, then – at our own discretion – we either may require the Supplier to separate out the defective products or we may assert warranty claims in respect of the entire consignment. We expressly reserve the right to acknowledge an over-delivery as being in compliance with contract. If the Supplier fails to provide supplementary performance in case of defective goods, then the obligation to give notice of defects according to §377, German Commercial Law – for the services provided by the Supplier for purposes of rectification – does not apply.
- (5) In the event of a defect, we are entitled to statutory rights, whereas the place of fulfilment for guarantee is the indicated place of use; at our own discretion, we shall be entitled to require the Supplier to rectify defects or to supply replacement products. If the Supplier fails within a reasonable timeframe to fulfil their obligation for rectification, in accordance with the corresponding option on our part, or if supplementary performance fails, we are entitled to enforce our rights for price reduction, for withdrawal, for compensation instead of fulfilment or for the reimbursement of expenses.
- (6) Rectification is deemed unsuccessful if fault-free supply from the Supplier does not arise as the outcome of the attempt to provide remedy of the defect (OK) or to supply a replacement delivery. The Supplier is under obligation to bear the full cost of all expenses incurred in the process of troubleshooting or replacement delivery. Furthermore, we are entitled to withhold a proportion of the value of payment until correct fulfilment is achieved.

- (7) The Supplier has to bear the costs of renewed, subsequent inspections or checks as described in paragraph (6) if any evidence of a defective consignment (such as client complaints) subsequently becomes apparent. The same shall apply in respect of any additional inspections conducted as the Supplier's responsibility or at their initiative.
- (8) Our entitlement for fulfilment remains in place pending the substantiation (either in writing or in the form of a court action) of claims for compensation in place of fulfilment. If we withdraw from the Agreement due to the existence of a defect, the Supplier must also compensate us for the costs of the Agreement.
- (9) This does not affect our rights of recourse according to section §478 and §479, German Civil Code. We also hold these rights for corresponding substantiation against the Supplier if the Supplier only supplied certain components of the product, which we have manufactured.
- (10) If the Supplier is in default in replacement supply or in remedy of the defect, we are entitled to conduct alternative procurement or remedy of the defect on our own initiative (or to have such tasks performed by third parties) and at the Supplier's expense. The same applies in an urgent case in which the Supplier cannot be contacted in time or cannot promptly conduct the required remedy of the defect or replacement supply. The Supplier must be promptly notified of any such occurrence.
- (11) Our claims arising from defects expire after 36 months and in any event no earlier than two months after we have fulfilled any and all complaints raised by our own customers as a result of the corresponding defect in the product. This suspension of expiry terminates no later than five years after the product was delivered to us. The statute of limitation for claims concerning replaced parts shall recommence effective from the date of complete remedy of defects. If the Supplier investigates for the presence of a defect (or for its elimination), the period of expiry is suspended until the Supplier presents us with the outcome of the investigation, provides us with declaration of elimination of the defect or declines to continue rectifying the defect. A process of investigation also particularly is deemed to have occurred if the Supplier launches the investigation or passes the consignment to a third party for purposes of its investigation.
- (12) This does not affect the further guarantees provided by the Supplier.
- (13) Suppliers of goods for which spare parts are needed are under obligation to keep in stock the required spare parts and accessories (together with tooling) for a period of three years until expiration after termination of the statute of limitation.

#### **§7 – Product Liability; Indemnification; Liability Insurance Cover**

- (1) The Supplier is under obligation to hold us exempt from third parties' product liability claims to the extent that the Supplier is answerable for the product defect and for the losses arising, according to the Product Liability Law. This does not affect any further claims, which we may hold.

- (2) Within the framework of the Supplier's own liability regarding claims as described in paragraph (1) above, the Supplier is also obligated to reimburse us for any expenses incurred as defined in §683 or in §670, German Civil Code, or as defined in §830, in §840 or in §426, German Civil Code, where they arising from or in connection with product liability, with particular reference to any recall campaign legally conducted by us. Wherever reasonably possible, we shall inform the Supplier of the content and scope of the applied recall campaign, give the Supplier the opportunity to comment. This does not affect other statutory claims.
- (3) In coordination with the Supplier, we take over the responsibilities to inform the respective appropriate authority according to German Product Safety Act regulations.
- (4) The Supplier undertakes to maintain a product liability insurance of a sum insured of €10 million per instance of personal/material damage, lump sum, for the period of this Agreement, i.e. until the respective statute of limitation within which claims for defects may be brought; should we be entitled to any further compensation rights, these remain unaffected.
- (5) In particular, the Supplier obligates himself to take out a general liability insurance of a minimum of 5 million per individual case and per calendar year for the period of this agreement, i.e. until the respective statute of limitation within which claims for defects may be brought.

#### **§8 – Design Protection**

- (1) We reserve the full extent of property rights and Intellectual Property Rights (with particular reference to copyrights, patent rights and know-how) concerning samples, software, tooling, illustrations, drawings, calculations and any other tendering documents; and these may not be made accessible to third parties without our express written approval. They are only to be used for manufacturing based on our order; following the processing of the order – no later than upon termination of the Agreement – they must be handed back unasked to us, without reminder and free of charge. All data must be deleted and destroyed.
- (2) The Supplier has to keep the documents and other items described in paragraph (1) above on file, at their own expense, secure loss, abuse and damage, together with appropriate designation as to their due ownership. Safe-keeping is determined according to currently applicable statutory requirements and according to the provisions of standard commercial regulations. The Supplier to insure the documents and other items provided by AZUR against fire, water and theft, at replacement value, at their own expenses. At the same time, the Supplier hereby assigns to us all claims of compensation arising from such insurance cover, and we hereby accept such assignment.
- (3) Products which we have constructed and/or which have been manufactured in accordance with our documentation and wholly or partially on the basis of our know-how and/or using our tools or pattern tools may not be used by the Supplier either at the present time or at any future date, nor may they be offered for sale, supplied or otherwise made available to third parties. The same applies to all orders and related tasks.
- (4) In particular, the supply relationship must be kept confidential.

- (5) Subcontractors must be placed under the obligation of the requirements of paragraphs (1) to (4).

## **§9 – Property Rights**

- (1) The Supplier is liable to us for their supplies' being free of any infringement of third-party rights, whereby the Supplier is aware that we distribute our finished products worldwide.
- (2) If the items supplied includes software and the corresponding documentation – then we have the right of use as permitted by law (§69a, Copyright Act) with the full range of agreed performance characteristics and to the extent required for contractually compliant utilisation of the product. Even without an agreement, we are permitted to produce a backup copy. If the software has been specifically designed/programmed for us, the Supplier must provide the corresponding source code no later than upon handover of the software, and without any additional charge.
- (3) If we are claimed against by any third party, the Supplier is obliged to hold us exempt from such claims upon our first written request. We are not entitled – at the Supplier's expense – to make any arrangements with the corresponding third party without the Supplier's consent, and in particular, we are not entitled to negotiate any settlement.
- (4) The Supplier's obligation of indemnification relates to all expenses, which we necessarily incur in connection with being claimed against by any third party.
- (5) Any claims (for forbearance, for compensation, for rectification, for destruction or for information) arising from any Property Rights (particularly copyrights, patent rights and know-how, utility models, design patents, trademarks) expire three years after the infringement of the property right became known or failed to become known due to gross negligence. In any event, claims expire in 10 years after the occurrence of the loss or no later than 30 years after the event, which caused the loss.

## **§10 – Reservation of Ownership; Provision of Items; Tools; Secrecy**

- (1) As far as we provided parts to the Supplier, we reserve ownership over such parts. Processing or conversion by the Supplier are done on our behalf. If our reserved-ownership goods are processed in conjunction with any other items that do not belong to us, then we acquire co-ownership of the new product in relation to the value of our product (purchase price plus VAT) and the other items processed at the time of processing.
- (2) If the items provided by us are inseparably combined with any other items, we acquire co-ownership of the new product in relation to the value of the reserved-ownership item (purchase price plus VAT) and the other items combined at the time of processing. If combination is conducted such that the Supplier's items must be regarded as the main item, it is hereby agreed that the Supplier transfers a proportion of co-ownership to us; the Supplier covers sole ownership or co-ownership for us.
- (3) We reserve the right of ownership in respect of tooling; the Supplier is under obligation to use the tools exclusively for the manufacture of goods, which we have ordered. The Supplier is further obliged at their own expense to take out insurance cover (replacement value) against fire, water and theft for tooling belonging to us. At the same time, the Supplier hereby

assigns to us all claims for benefit arising from such insurance cover, and we hereby accept such assignment. The Supplier is obliged to conduct any necessary maintenance and technical service work, as well as any corrective maintenance work, in due time at their own expense. It must report any incidents to ourselves immediately. If it culpably fails to fulfil this obligation, our compensation claims remain unaffected.

- (4) To the extent that our security rights as defined in paragraph (1) and/or paragraph (2) should exceed – by more than 10% – the purchase price for all of our reserved-ownership goods that have not yet been paid for, then we shall be obliged at the Supplier's request to release the security rights at our discretion.
- (5) The Supplier is under obligation to observe strict confidentiality concerning all illustrations, drawings, calculations and other documentation and information received from us. They shall not be disclosed to any third party without our express consent. In particular, furthermore, the supply relationship between the parties must be kept confidential. The confidentiality obligation still applies even after the Agreement has been processed. However, it expires if and to the extent that the production expertise comprised within the furnished illustrations, drawings, calculations and other documents becomes generally known or if and to the extent that such elements were probably already known to the Supplier, as defined in the first sentence above, at the time of disclosure.

## **§11 – Compliance**

- (1) Our company is certified according to international standards ISO 9100, 14001 and ISO 45001. Therefore, we have committed ourselves, in the context of fulfilling and processing the order with our own customers, to stick to the applied regulations. The Supplier in turn undertakes to observe the relevant regulations for work safety, environmental and health protection, and further undertakes to abide by the above-mentioned standard.
- (2) The Supplier is supposed to observe the principles of the UN Global Compact Initiative. These relate in particular to protection of international human rights, to the right to collective bargaining, to the abolition of recruitment of forced labor and child labor, to the elimination of discrimination in recruitment and employment, to environmental responsibility and to the prevention of corruption. Further Information can be obtained from [www.unglobalcompact.org](http://www.unglobalcompact.org).
- (3) We are under obligation to fulfil EC Directive n° 1907/2006 (REACH Directive). Consequently, the Supplier also undertakes to fulfil the said REACH Directive.
- (4) If any supplier repeatedly acts illegally and/or fails - despite having been appropriately notified - to prove that their infringement of the law has been made good as far as possible and that reasonable precautions have been taken to prevent future infringements, we reserve the right to withdraw from existing agreements or to terminate them without further notice.

## **§12 – General Provisions**

- (1) Rights, which we hold under legal regulations over and above these Purchasing Conditions, remain unaffected.
- (2) The Supplier is not entitled to pass on the order to third parties without our prior consent.

- (3) If the Supplier stops payment or in case of insolvency proceedings, we are entitled to withdraw from the Agreement in whole or in part.
- (4) We shall handle the Supplier's personal data according to the EU General Data Protection Regulation (EU GDPR).
- (5) Unless otherwise agreed between the parties, our desired place of delivery and/or the point of utilization is the place of fulfilment for the delivery obligation. The place of fulfilment for all other obligations between both parties shall be our place of business.
- (6) Our place of business is the place of jurisdiction. However, we shall also be entitled to bring action against the Supplier in their own place of jurisdiction.
- (7) The Agreement is be subject to German law to the exclusion of conflict of laws and UN Convention on Contracts for the International Sale of Goods (CISG).