

General Terms and Conditions of Trading

(Valid from July 01st, 2020)

I. Conditions

1. The present terms are valid for the POLYRACK TECH-GROUP Holding including all affiliated companies in Germany and the subsidiaries abroad.

2. The present general terms are valid for all business operations with the purchaser or another customer (both hereinafter referred to as "the purchaser") even if no express reference is made in later contracts. We do not recognize any conditions opposite or different from our general terms and conditions of trading, unless we agreed on their validity expressly in writing. Our terms and conditions are also valid if we deliver without reservation even if we are aware that the purchaser's conditions are opposite or different from our own general terms and conditions of trading. Other conditions will not alter the terms of the contract, unless otherwise expressly stated by us.

3. By placing an order with us, the purchaser acknowledges our general terms and conditions of trading.

II. Quotations and Prices

1. Unless otherwise agreed or specified in our written confirmation, our quotations are always subject to alteration and are without engagement.

2. A contract becomes effective only after our written order confirmation. Amendments, additions, or other arrangements of orders, as well as agreements made by the purchaser with agents and representatives, require our written confirmation.

3. Drawings, illustrations, weight and volume information or other data are not binding for execution of orders, unless expressly agreed by us in writing. Samples are always regarded as approximate tests of quality, visual aspect and colour. We reserve the right to shortages or over-deliveries within a margin of 10 %.

4. If the order is not placed with us, we reserve the right of demanding consideration for consultation, models, drafts, and calculations.

5. Unless otherwise agreed, all prices are net ex works, plus VAT and packaging costs.

6. Unless otherwise agreed, packing costs amount to 2.5% of the net value plus VAT.

7. Our prices are calculated on the basis of the raw material costs, wages, exchange rates and external costs valid at the time of the order confirmation. We reserve the right to raise our prices. If they increase before delivery, particularly because of collective labour agreements, increases in material costs (especially raw material, electronic components and computer parts) or fluctuations in exchange rates. Deposits or payments made in advance by the purchaser do not alter this.

8. If the purchaser is a sales merchant or marketing person, payment retention, because of any purchaser's counterclaim not acknowledged by us, is not allowed, as are payment retention for compensation, unless we acknowledge the claim for liability for defects or for damages or the claim has legal force of a verdict. Transfer

of the purchaser's claims require our written agreement to be effective.

9. Any demand that an invoice needs to be amended must be made by the purchaser in writing and within one week of receipt of the invoice, otherwise the invoice is considered acknowledged by the purchaser. As long as the purchaser is claiming his right to eliminating shortages or defects, prescription of our right to consideration is checked.

III. Delivery Period

1. Delivery and execution dates are valid only if expressly acknowledged by us in writing.

2. The delivery period begins from our sending the confirmation, however, neither before the purchaser supplies authorizations, approvals, material documents (if necessary), nor before receipt of an agreed advance payment; it requires among other things clearing-up of all technical matters.

3. We undertake to do our utmost to respect the promised delivery dates and other deadlines. Nonetheless, in absence of explicit guarantees, delivery dates and deadlines are only meant to give the purchaser an approximate idea of leadtime. Our delivery date or other deadlines do not bind us, if the purchaser does not comply with his contractual obligations.

4. The delivery or execution period is met, if the delivery item has left the factory or readiness for dispatch has been notified before the deadline expires.

Acts of god and other circumstances beyond our control, give us the right to an extension of the deadline according to the duration of these events, such as; hindrances due to public measures, works malfunctions, cast faults or miscellaneous rejections, strikes, lock-outs, various labour strike related measures, delays in delivery of accessory parts, raw materials, business materials or other necessary materials, etc.

Should a delivery date be exceeded for reasons within our competence, the purchaser is not entitled to claim for damages referring to the usual negligence.

The purchaser's rights to compensation for non-performance are generally limited to foreseeable damages; the purchaser is entitled to these rights only if the delay in delivery is based on culpable negligence or intention; in all other cases, the liability for damages is limited to 50% of the amount of damages proven by the purchaser.

5. Should the dispatch or the execution of a special requirement be delayed on the request of or due to the conduct of the purchaser, we are entitled to invoice 25% of the agreed upon price before the deductions or stoppages unless the customer proves that no damage has been incurred or not to the estimated amount. Besides, as in case of special productions or special deliveries, the enforcement of a considerable damage to be proved is to be left to us in the event of additional expenditures.

The risk of accidental loss or deterioration of the delivery item or purchase item shall pass to the purchaser at the time at which the customer is in default of acceptance.

Regardless of the delay in payment, we are entitled to invoice at least 0.5% of the invoice amount for each month for storage at our plants, unless the purchaser proves lower costs or we prove higher costs.

Should the purchaser withdraw from the placed order without justification, we are entitled to claim 25% of the sales price for the expenses incurred due to the order processing and for lost profit, without prejudice to the possibility of claiming higher damages. The purchaser shall be entitled to prove lower damages; we shall be entitled to prove higher damages.

6. We have the right to make partial deliveries.

7. If the purchaser delays the acceptance of the purchase item for more than 14 days from receipt of the notification of readiness for delivery, either intentionally or due to gross negligence, we are entitled to withdraw from the contract or to claim damages for non-performance after setting a grace period of another 14 days. There is no need to set a grace period if the customer sincerely and finally refuses acceptance or is obviously not able to pay the purchase price even within this period.

IV. Payment Terms

1. We are entitled to require a reasonable advance payment with the placement of the order.

2. Unless otherwise agreed, the price is due for payment, without deduction, within 30 days from date of invoice or from delivery of the delivery item. For payment within 10 days, we grant a 2% discount.

Cheques and bills of exchange are considered as payment only after their cashing by the bank. Bills of exchange are accepted only after a written agreement with us. In case of acceptance of bills of exchange and cheques, discount rates and rates of exchange may be charged to the purchaser and are to be paid immediately. Further expenses resulting from acceptance of cheques and bills of exchange will also be charged to the purchaser.

For first orders, we reserve the right to execute these only against cash on delivery or payment in advance.

3. If the purchaser is a sales merchant, he is in default if he does not pay on a reminder sent after the payment of the price is due. Irrespective of that, the purchaser is also in default if he does not pay by a calendar date fixed in the contract. This does not affect the legal provision whereby a purchaser is also automatically in default 30 days after the due date and after receiving an invoice.

4. We charge 7% interest on arrears per annum above the applicable interest rate charged by the ECB for top-rated finance facilities. A lower or higher rate of interest and if the ordering party is able to furnish proof of lower expenses having been incurred by us respectively.

V. Reservation of Title

1. We reserve title to all goods, delivered by us until all claims under the business agreement with the purchaser are settled, especially until the current account is balanced and all exchanges and cheques are processed. If the purchaser's conduct is contrary to the contract, especially if the purchaser defaults in his payment, we are authorized to take the goods back. Our taking the goods back does not constitute withdrawal from the contract, unless we have stated so expressly in writing. We are authorized to reuse these goods. The reuse proceeds serve to compensate the purchaser's obligations towards us, less reasonable reuse costs.

2. In the case of intervention by a third party regarding an item for sale/delivery, which is our property, the purchaser must inform us in writing immediately and confirm this in writing to us and the third party. The purchaser is liable for the loss incurred by us.

3. The purchaser must handle the reserved goods with care; in particular, he must adequately insure them at his expense against fire, water and theft. Claims against the insurance arising from an accident are hereby ceded to us to the full value of the goods (gross value of our invoices).

4. The processing or redesigning by the purchaser of the item for sale/delivery is always carried out for us. If the item for sale/delivery is combined with items not belonging to us, we acquire the co-ownership of the new item in the proportion of the value of the item for sale/delivery to the other converted products at the time of the conversion. Moreover, the same applies to the product, which is the result of conversion as to the conditionally supplied item for sale/delivery. If the item for sale/delivery is inseparably mixed with items, which do not belong to us, we acquire ownership of the new product in the proportion of the value of the item for sale/delivery to the other mixed items at the time of mixing. If the mixing occurs in a way, which means that the purchaser's item is to be regarded as the main one, it is agreed that the purchaser proportionately transfers co-ownership to us. The purchaser keeps the thus-created sole ownership or co-ownership for us. The purchaser promises to allow us to inspect his documents, to the extent that this is necessary for us to exercise our rights.

Whether the purchaser mixes up the reserved goods with other goods, in a way that these goods cannot be separated, we are entitled to retain part of the title of the part of the mixed goods, which is in relation to the value of the mixed goods at the time of mixing up. Should the purchaser acquire sole ownership of the new goods, the parties to the contract hereby agree that the purchaser transfers proportionate co-ownership to us. The purchaser shall keep these products safe for us with professional care. He undertakes to allow us to examine his documents, as far as this is necessary for the protection of our rights.

5. The purchaser is entitled to sell the delivery items on, within the normal business channels; he already cedes all debts, however, in the amount of the purchase price (including VAT) agreed between him and his customer, which have derived for the customer from the on-selling process, irrespective of whether items for delivery are sold without conversion or after it. We accept this cession. After it has been ceded, the purchaser is empowered to recover this debt. Our authority to recover the debts ourselves remains unaffected by that fact; we do, however promise not to recover the debts as long as the purchaser honours his payment obligations and does not fall behind with them. If, however, the latter is the case, we can demand that the purchaser makes known the ceded debts and the debtors, supplies all details necessary for recovery, distributes the relevant documents and informs the debtors (third party) of the cession. In selling goods on, he must give our brand name in his invoices.

6. We promise to release the securities due to us at the purchaser's request, as long as the value of the debts to be secured, if they have not yet been paid, is more than 20%; it is our responsibility to choose which securities should be released.

VI. Designs, Drawings, Tools, Moulds, Technical Information, Samples

1. We reserve the right of ownership and copyright to drafts, drawings, cost estimates, moulds and devices. They

may not be made accessible to third parties without our express written permission.

Drawings and other documents pertaining to the quotations are to be returned to us on demand and moreover as a matter of course if we do not win the contract. The purchaser is not allowed to keep any copies.

If we have delivered articles, conform to drawings, models, samples or various documents the purchaser has returned to us, the latter takes responsibility for not infringing the rights of third parties. If third parties prohibit us from manufacturing or supplying such items by invoking industrial property rights, we are not obliged to check the legal situation, but we are entitled to stop any further activity in this respect and to demand compensation from the customer for the costs incurred and the loss of profit.

The purchaser undertakes moreover to exempt us from all claims of third parties arising therefrom. The purchaser's duty to exempt concerns all damages and expenditures arising out of third party's claims.

2. Technical information (i.e. dimensions, specific weights) in the quotations and confirmation are not binding. Their observance cannot be guaranteed. We reserve the right to divergence within the DIN or ISO norms.

3. If tools or equipment are manufactured by us or under our control, the purchaser has to refund production cost to us, unless otherwise expressly agreed in writing. The tools or equipment remain our exclusive property unless otherwise expressly agreed with the purchaser in writing.

VII. Liability for Shortages and Defects

1. If the person placing the order is a business merchant, he shall indicate perceptible faults or incorrect delivery by means of a registered letter immediately, at the latest within five working days upon receipt of the delivery. If the person placing the order is not a business merchant, he shall indicate in writing all apparent faults or incorrect deliveries within 14 days upon receipt of the delivery.

In any case, the notification must be made before processing or further use. Defects, which cannot be detected within these periods, even by careful examination, shall be communicated to us immediately upon discovery. If the purchaser is a business merchant, this notification should also be made by registered letter.

2. If the purchaser's complaint is justified, the purchaser has the right, at our discretion, to have defects rectified (repair) or a replacement delivery made during a period of 24 months from the date of acceptance of the delivery item. If we are unable to repair or replace the goods or to do so within a reasonable period, for reason within our competence of if it falls otherwise, the purchaser may require a reduction of the price.

In the event of the elimination of the defect, we shall bear all expenses necessary for eliminating the defect, provided that these are not increased by the fact that the object of sale was taken to a place other than the place of performance. If the customer is a merchant, we shall in any case bear a maximum of half the expenses incurred.

Natural wear and tear is excluded from the warranty in any case.

3. We shall only be liable for further claims and rights of the customer - irrespective of the legal grounds - in cases of intent and gross negligence; the obligation to pay compensation is generally limited to foreseeable damage.

4. In all other respects, liability is also excluded for damages that have not affected the delivery item.

5. We cannot be held liable for our advisory services, which do not exempt the client from the personal obligation to carry out a verification.

6. We disclaim all responsibility for functioning of appliances configured by customers. This applies particularly to observance of authorization terms, security instructions and their liability.

7. For software, the license terms of the respective manufacturers apply.

8. Claims for damages arising from certain violations of contract, violation of obligations during contractual negotiations, tortious acts and product liability against us or our employees, insofar as is legally permissible are excluded, unless a damage is caused intentionally or due to gross negligence.

VIII. Place of Execution and Jurisdiction Governing Law

1. The place of execution is Straubenhardt-Conweiler.

2. The place of jurisdiction for all disputes arising from contractual relations, if the purchaser is a sales and marketing person, is according to our choice either the county court (Amtsgericht) of Pforzheim or the district court (Landgericht) of Karlsruhe. This is also applicable, if the purchaser's domicile or usual residence is unknown at the time of legal proceedings are instituted, of his domicile or usual residence is outside Germany. We may also take the purchaser to his usual court of jurisdiction.

3. The governing law is exclusively the German law with the exclusion of the laws on international sales of personal property (particularly CISG), even if the purchaser's firm has its headquarters abroad.

IX. Other agreements

Should one or more terms be or become void, the validity of the other terms remain unaffected.