

1. Scope

1.1 These General Terms and Conditions of Purchase (hereinafter referred to as "Purchase Conditions") of Schmid AG, energy solutions with its registered office in CH-8360 Eschlikon, Canton of Thurgau ("SCHMID") and its Group companies govern all purchases of goods and/or services by SCHMID from third parties ("SUPPLIER"), regardless of whether the individual purchase relates to a project order, an individual order or a blanket order with release orders.

These Purchase Conditions are thus deemed an integral part of every sales contract, contract of work and services or order concluded by SCHMID (as the buyer/customer/principal).

1.2 These Purchase Conditions also govern the procurement of goods and/or services by SCHMID Group companies. A Group company is any company in which SCHMID directly or indirectly holds a material stake in terms of capital or voting power (i.e. at least one-third).

1.3 By submitting a quotation and/or accepting and/or executing an order from SCHMID, SUPPLIER accepts and undertakes to comply with these Purchase Conditions.

1.4 Contractual agreements between SCHMID and SUPPLIER that deviate from these Purchase Conditions must refer explicitly to these Purchase Conditions and must carry the legally valid signature of both contracting parties.

1.5 Any general terms and conditions of business, sale etc. of SUPPLIER are not accepted by SCHMID and under no circumstances are deemed to form part of the contract.

2. Conclusion of contract/order process

2.1 A contract between SCHMID and SUPPLIER is only concluded with the written acceptance of a quotation of SUPPLIER by SCHMID or with a written order (project order, individual order or release order under a blanket order) from SCHMID and only becomes binding on SCHMID from this date.

2.2 SUPPLIER shall review the specifications provided by SCHMID. SUPPLIER shall in particular check whether the descriptions are correct and whether the material as described can be used for the intended purpose. If SUPPLIER has any doubts or queries in this regard, it is obliged to inform SCHMID in writing without delay and explicitly raise its objections to the use of this material.

2.3 SUPPLIER shall inform SCHMID without delay of any obvious mistakes (such as mistakes on the invoice, typos, etc.) in the order. Any such mistakes may be corrected by SCHMID at any time.

2.4 Orders are only binding on SCHMID if they were submitted in writing (cf. para. 2.5 below). In order to be legally binding on SCHMID, any orders submitted verbally or by telephone must be subsequently confirmed in writing (cf. also para. 2.5 below).

2.5 Orders by SCHMID with an order volume of up to CHF 50,000 must be signed by two authorised signatories in accordance with SCHMID's internal signature regulations, at least one of whom must be registered as an authorised signatory with the Commercial Register. If this is not the case, the order is not binding on SCHMID. Orders by SCHMID with an order volume of more than CHF 50,000 must be signed by two persons registered as authorised signatories with the Commercial Register. If this is not the case, the order is not binding on SCHMID.

2.6 All contractual amendments must be made in writing. This also applies to the requirement for the written form itself.

3. Price determination and agreement

3.1 Unless specifically agreed otherwise in writing for an individual order, the agreed prices included in SCHMID's order are deemed to be fixed prices that may not be changed.

3.2 Unless specifically agreed otherwise in writing for an individual order, the agreed prices included in SCHMID's order are deemed to be unit prices.

3.3 Unless specifically agreed otherwise in writing for an individual order, the agreed prices included in SCHMID's order are deemed to be payment for all services provided by SUPPLIER as required for the proper and full performance of the contract and the delivery of the goods to the place of performance (or to the delivery address provided by SCHMID) or the performance of the services at the place of performance (or the place indicated by SCHMID), including customs, charges, transport, insurance premiums, etc.

3.4 If payable by law, VAT must be shown separately.

4. Scope of delivery/order volumes

4.1 As a general rule, SCHMID orders specific quantities. If specific blanket quantities are agreed in writing for a blanket order, SCHMID is entitled to order the quantity it requires as and when it is needed (release orders). The obligation to accept frame quantities and lot size is agreed in the respective blanket order.

4.2 SUPPLIER undertakes to deliver the exact quantities or number of units ordered by SCHMID. SCHMID does not have to take delivery of or accept deliveries containing larger or smaller quantities.

4.3 Partial shipments are only permitted with the prior written consent of SCHMID.

4.4 For release orders, SUPPLIER may only make delivery after a release order has been submitted by SCHMID. Delivery must be made on the date indicated by SCHMID.

4.5 SUPPLIER shall make sure that spare parts and wearing parts can be delivered at acceptable conditions for at least ten years following the delivery. SUPPLIER is obliged to inform SCHMID at least six months in advance of the discontinuation of production of a product previously delivered to SCHMID. SUPPLIER is also obliged to give SCHMID the opportunity to submit orders (without limiting the order volumes and at conditions comparable to earlier orders) and to fulfil SCHMID's orders.

5. Delivery dates

5.1 Agreed and confirmed delivery dates are binding on SUPPLIER. SUPPLIER is not authorised to deliver before or after the agreed delivery date.

5.2 Without prejudice to SUPPLIER's liability for damage caused by delay and SCHMID's claims, SUPPLIER is obliged to inform SCHMID without delay of any impending delivery or deadline problems, indicating the reason for the expected delay.

5.3 If SUPPLIER fails to meet a confirmed delivery date, SUPPLIER is automatically deemed to be in default without the need for SCHMID to issue a reminder. If SUPPLIER is in default, SUPPLIER is liable to SCHMID for all damage, costs and expenses (including but not limited to production losses, cost of downtime, etc.) resulting from the delay in delivery.

5.4 In the event of default by SUPPLIER, SCHMID is also entitled to unilaterally withdraw from the contract by written declaration after granting SUPPLIER a suitable deadline for remedying the default. When withdrawing from the contract, SCHMID is entitled to demand the return of any services already provided and may choose to either retain the goods already delivered against payment or to ready these goods for collection by SUPPLIER, in which case SCHMID will not incur any payment or cost obligations.

6. Terms of delivery

6.1 Unless agreed otherwise, SUPPLIER shall at its own cost deliver all ordered goods duty paid to the destination indicated by SCHMID (DDP as defined in the INCOTERMS 2010).

6.2 SUPPLIER shall include a delivery note referring to the commission as well as SCHMID's order number with each delivery. The delivery note must also contain the article number, description and declaration of origin of the delivered goods as well as the delivered quantity. If delivery is made by a third party (e.g. a transport company), the above information must also appear on all consignment notes, shipping documents and customs documents.

6.3 The delivered goods must be marked with a description and article number in a clearly visible position.

6.4 When delivering hazardous goods, SUPPLIER shall ensure that all relevant regulations are adhered to.

6.5 If, on the basis of the function and/or property of a delivered item, certificates and/or instruction manuals and/or spare part lists and/or manufacturer declarations and/or CE declarations of conformity or certificates and/or instruction manuals and/or inspection certificates for individual items or goods are required before the final product can be checked and/or used, all required documents must be provided by SUPPLIER and included with the delivery, with copies sent to SCHMID in electronic and paper format. If and to the extent that Directive 2006/42/EC on machinery applies, all documents and CE declarations required by the Directive must be supplied. All the documents mentioned in this clause must always be delivered in German, English, French and Italian.

6.6 SUPPLIER may only use sub-suppliers and/or sub-contractors with the prior written consent of SCHMID. SCHMID's consent does not release SUPPLIER from its liability for sub-suppliers and sub-contractors. If SUPPLIER breaches this provision, SUPPLIER shall pay a contractual penalty of CHF 100,000 to SCHMID. Payment of this contractual penalty does not release SUPPLIER from compliance with this obligation. SCHMID reserves the right to enforce claims for additional losses.

7. Transport, insurance and packaging

7.1 Orders are transported to the destination indicated by SCHMID at the risk of SUPPLIER. SUPPLIER bears the risk of any deterioration of the goods (including coincidental loss) until the delivery is received by SCHMID. SUPPLIER is obliged to take out adequate transport insurance at its own cost.

7.2 In general terms, if no explicit instructions were received from SCHMID, SUPPLIER shall pack goods in such a way as to avoid any transport damage. The goods must in particular be protected against any and all external impacts (including but not limited to mechanical damage, corrosion, damage caused by moisture, electromechanical damage, etc.).

7.3 SCHMID is entitled to keep any invoiced packaging material for itself or to ready it for collection against credit. If SUPPLIER does not collect packaging material ready for collection within a maximum of 14 days, SCHMID may either keep the packaging material or dispose of it at the cost of SUPPLIER.

7.4 SCHMID and SUPPLIER may come to agreements which differ from the present terms and conditions regarding their responsibilities and the assumption of the costs of transport, insurance, customs and packaging. In order to be legally binding, however, any such agreement must be made in advance and in writing. If the parties agree in an individual case that SCHMID will organise the transport, SUPPLIER shall pack the goods properly and ready them for collection at the agreed place by the transport company mandated by SCHMID.

8. Transfer of benefits and risks

The benefits and risks pass from SUPPLIER to SCHMID when the delivered goods are physically and effectively accepted by SCHMID at the destination address.

9. Acceptance

9.1 The goods are deemed to have been delivered and accepted when they are physically and effectively accepted by SCHMID. Acceptance of the goods by SCHMID does not, however, equate approval of the goods. SCHMID reserves and applies all its defect rights, even in the case of unconditional acceptance.

9.2 SCHMID checks the delivery quantities and quality as soon as possible in view of its type of business operation and the properties of the delivered goods. SCHMID notifies any defects and transport damage as quickly as possible. Please refer to para. 11 below in all other respects.

10. SUPPLIER's warranties

10.1 SUPPLIER explicitly warrants to SCHMID that its goods and/or services comply with all applicable laws and standards and the current state of the technology, meets all requirements as stated and is suitable for the purposes of SCHMID (and its customers). This warranty includes the technical composition of the delivered item, the selection of materials, the reliability of the production and manufacturing processes and the durability of the delivered goods.

10.2 The provisions of the law, generally accepted standards (whether issued by supranational or state organisations or by sector or professional associations), all applicable commercial customs and practices, the current state of the technology and the specifications submitted to SUPPLIER apply in the assessment of the warranted qualities. All goods and articles delivered by SUPPLIER must comply with all relevant and current standards (including the applicable EU standards). SUPPLIER explicitly warrants compliance with all relevant standards.

10.3 SUPPLIER warrants that the goods delivered by it fully comply with all requirements and instructions in the drawings, specifications, samples and other product descriptions as well as all other instructions issued by SCHMID.

10.4 SUPPLIER shall inspect the goods to ensure that only goods that fully meet all requirements, agreements and instructions are sent to SCHMID. SUPPLIER shall submit all confirmations and documentation relating to the required or useful tests to SCHMID (including but not limited to those listed in the Pressure Equipment Directive).

10.5 If delivered goods were designed or manufactured by SUPPLIER itself or by a third party on behalf of SUPPLIER or in accordance with SUPPLIER's specifications, SUPPLIER explicitly warrants that the design and construction of the items delivered by SUPPLIER are free of defects and that the items based on this design are fully suited to and may be used for the purpose indicated in the specifications or notified to SUPPLIER in another manner and do not breach the intellectual property rights of any third party.

10.6 SUPPLIER shall provide SCHMID with written proposals and information regarding wearing parts and spare parts that may be necessary or useful. Upon conclusion of the contract, SUPPLIER shall provide SCHMID with an appropriate list of all recommended wearing parts and spare parts as well as any operating consumables.

11. Warranty of title and quality and liability for breach of contract

11.1 SUPPLIER is liable for all damage suffered by SCHMID or a third party caused by products under warranty of title or quality and/or products that are otherwise defective or do not meet the warranties as well as for any and all breaches of contract. SUPPLIER's liability also includes consequential damage (such as damage arising from production outages, idleness, lost profit, etc.).

11.2 SUPPLIER is liable for all damage caused by sub-suppliers and/or sub-contractors and/or other auxiliaries in the same way as for damage caused by itself. This liability also applies to compliance with and the implementation of all provisions of the law of Switzerland

and/or the relevant country regarding the protection and rights of employees, and in particular compliance with all salary and employment conditions. SUPPLIER remains liable if SCHMID approved or ordered the use of a sub-supplier or sub-contractor.

11.3 SUPPLIER assures SCHMID of its unlimited support in the execution of any product recall and/or customer service activities that might be necessary. SUPPLIER shall bear the costs of any product recall and/or customer service activities related to products delivered by SUPPLIER.

11.4 SUPPLIER assures and confirms that it has sufficient insurance cover for the risks associated with product recalls and/or product liability as well as product safety. SUPPLIER shall submit a corresponding confirmation of insurance cover at the request of SCHMID.

11.5 If it receives defective products, SCHMID can choose whether it wants the correction of defects (in some cases also replacement delivery free of charge of contract-compliant products free of defects), a reduction in price or a change in product. In urgent cases and after a deadline has been given, SCHMID may also arrange substitute performance (by SCHMID itself or by a third party) or obtain a replacement (from a third party) at SUPPLIER'S cost.

11.6 The warranty period for hidden defects is 60 months. This period commences when SCHMID commissions the end product into which SUPPLIER's product was fitted or for which it was used at the end customer, but at the earliest with SCHMID's acceptance of SUPPLIER'S rendered service.

11.7 SCHMID may at any time notify defects during the first 24 months of the warranty period. SCHMID's obligation to immediately check the products and notify defects is explicitly excluded. After the first 24 months (and until the end of the warranty period), defects must be notified within 10 days of discovery.

11.8 SUPPLIER may only assert claims related to any breach of SCHMID's obligation to check the products if the delayed inspection demonstrably resulted in additional damage. SUPPLIER's liability for the existing defects is excluded only in respect of the additional damage.

11.9 SUPPLIER is liable to SCHMID for any and all damage resulting from the improper performance of the signed contract. SUPPLIER is also liable for indirect damage relating to breaches of contract and consequential damage relating to breach of contract by SUPPLIER.

11.10 SUPPLIER is not entitled to offset any of its alleged claims against claims of SCHMID.

12. Billing procedure

12.1 Invoices must be submitted post-delivery in a proper format that complies with VAT requirements. Invoices that are not issued in a proper format that complies with VAT requirements are deemed not to have been delivered. As a result, the payment period (including the deadline for deducting discounts) shall only start running when an invoice is submitted in a proper format that complies with VAT requirements and contains all the information listed in para. 12.2 below.

12.2 Invoices must contain (at least) the following information: order number(s), article number(s), commission, description(s) of delivered item(s), delivered quantities, declaration(s) of origin with country code (EC or EU is not permitted), delivery date, place of delivery. The invoice must also contain the amount per item (unit price and total price), the total invoice amount and the agreements on payment periods and discount deductions.

13. Payment terms

13.1 The payment term for invoices submitted as required is 60 days from delivery of the invoice.

13.2 Unless agreed otherwise, SCHMID may deduct a discount of 2% from invoices that are paid within 30 days from delivery.

13.3 SCHMID only makes down payments on receipt of a bank guarantee (performance and/or repayment guarantee) for the same amount. This guarantee must be submitted to SCHMID before any down payment is made. If SUPPLIER requires a down payment, SCHMID and SUPPLIER shall agree the details in writing.

13.4 The payment of an invoice, even if made without reservation, does not mean that SCHMID acknowledges the provided goods or service as free of defects or errors or complete or in compliance with the contract.

13.5 If a delivery is defective or incomplete, SCHMID may retain part of the payment (including a suitable retention amount for any damage that SCHMID may incur) until it receives a complete delivery free of defects.

13.6 SUPPLIER may only assign or pledge claims against SCHMID with the explicit prior written consent of SCHMID.

14. Confidentiality and data protection, protective rights of third parties

14.1 SUPPLIER undertakes to maintain confidentiality in respect of all manufacturing documents, models, samples, plans, drawings, etc. which it receives from SCHMID or in connection with the contractual relationship with SCHMID as well as all information that is not fully in the public domain that becomes known to it during the course of its business relationship with SCHMID and not to make these available to third parties. SUPPLIER also undertakes to implement all required measures to ensure compliance with this confidentiality obligation. SUPPLIER shall also bind its contracting partners (such as employees, sub-contractors, sub-suppliers, etc.) to this obligation and shall ensure their compliance with this obligation, and shall be liable for all breaches of the confidentiality obligation by these parties.

14.2 SUPPLIER also undertakes to comply with the Federal Data Protection Act (DSG; SR 235.1).

14.3 SUPPLIER warrants that all deliveries made by it are free from protective rights of third parties and that the delivery and/or use of the delivered goods does not violate any patents, licences or other protective rights of third parties. SUPPLIER undertakes to fully indemnify SCHMID for all claims by third parties as well as all costs related to the violation of protective rights.

14.4 If SUPPLIER breaches any of these obligations, SUPPLIER shall be obliged to pay a contractual penalty of CHF 100,000 to SCHMID. Payment of this contractual penalty does not release SUPPLIER from compliance with this obligation. SCHMID reserves the right to claim additional damages. Any separate confidentiality agreement signed by the parties takes precedence over this clause.

15 Parts, documents, tools, moulds and/or equipment passed to SUPPLIER

15.1 Any parts, documents, tools, moulds and/or equipment passed to SUPPLIER by SCHMID remain the property of SCHMID. SUPPLIER is obliged to clearly mark these items as SCHMID's property and to keep them separate from the property of SUPPLIER or a third party. The safekeeping obligation continues to apply after the conclusion of the individual order and only lapses when SCHMID requests the return of its property. When a return request is received, SUPPLIER must return SCHMID's property without delay.

15.2 SUPPLIER is also obliged to protect the parts, documents, tools, moulds and/or equipment received from SCHMID against damage (by fire, water, corrosion, etc.) and theft, to service and maintain them at its own cost as well as to insure them at its own cost.

15.3 SUPPLIER is not entitled to use the parts, documents, tools, moulds and/or equipment received from SCHMID for any purpose other than the performance of its contracts with SCHMID.

15.4 If SUPPLIER breaches any of these obligations, SUPPLIER shall be obliged to pay a contractual penalty of CHF 100,000 to

SCHMID. Payment of this contractual penalty does not release SUPPLIER from compliance with this obligation. SCHMID reserves the right to claim additional damages.

16 Materials procured and/or provided by SCHMID

16.1 Materials passed to SUPPLIER by SCHMID or procured by SCHMID remain the property of SCHMID until they have been processed by SUPPLIER. SUPPLIER is obliged to clearly mark these materials as SCHMID's property and to keep them separate from the property of SUPPLIER or a third party. The safekeeping obligation continues to apply after the end of the individual contractual relationship with SCHMID and only lapses when SCHMID requests the return of its property. When a return request is received, SUPPLIER must return SCHMID's property without delay.

16.2 SUPPLIER is also obliged to protect the materials received from SCHMID against damage (by fire, water, corrosion, etc.) and theft and to insure them at its own cost.

16.3 SUPPLIER is not entitled to use the materials received from SCHMID for any purpose other than the performance of its contracts with SCHMID.

16.4 If SUPPLIER breaches any of these obligations, SUPPLIER shall be obliged to pay a contractual penalty of CHF 100,000 to SCHMID. Payment of this contractual penalty does not release SUPPLIER from compliance with this obligation. SCHMID reserves the right to claim additional damages.

17. No reservation of ownership

SUPPLIER irrevocably and without reservation waives its right to make or request entries in the reservation of ownership register. Any such entries must be deleted without delay at SUPPLIER's cost on first request of SCHMID.

18. Right of withdrawal if SUPPLIER is insolvent

If a seizure of SUPPLIER's property cannot be enforced, SUPPLIER is unable to pay its debts, bankruptcy proceedings are opened against SUPPLIER or a debt restructuring agreement with assignment of assets is agreed for SUPPLIER, SCHMID may unilaterally and without granting any period of grace withdraw from the contract with SUPPLIER or give notice of termination of the contract with immediate effect. In this case, para. 5.4 shall apply *mutatis mutandis*.

19. Place of jurisdiction and applicable law

19.1 The ordinary courts at CH-8360 Eschlikon, Canton Thurgau, Switzerland shall have exclusive jurisdiction over all disputes arising from the contractual relationship between SCHMID and SUPPLIER. SCHMID, however, may also bring an action against SUPPLIER at its registered office.

19.2 The contractual relationship between SCHMID and SUPPLIER is exclusively subject to Swiss law; the UN Convention on Contracts for the International Sale of Goods dated 11 April 1980 (SR 0.221.211.1) is herewith excluded.

In full agreement with the above:

SUPPLIER:

Place, date:

Legally binding signature(s):

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