

General Terms and Conditions of Sale and Delivery

1. Scope of Application

1.1. These General Terms and Conditions of Sale and Delivery shall apply to all contracts governing the delivery of goods and other services of QSIL AG, QSIL GmbH Quarzschmelze Ilmenau, QSIL Ceramics GmbH, Mineral7 GmbH as well as the affiliated companies of these with their registered seat in Germany (hereinafter referred to as "Supplier") and the purchaser.

1.2 Orders shall be executed in accordance with the terms and conditions set out below. Any deviating conditions of the purchaser shall only apply if the Supplier expressly accepts them.

1.3 In cases of exports, INCOTERMS 2000 shall apply to the interpretation of terms and conditions of delivery that are customary in the trade. Any deviating terms and conditions shall be agreed upon in a contract. Any legalisation and consular fees shall be borne by the purchaser.

2. Conclusion and Content of Contracts

2.1 The Supplier's quotations shall be non-binding at all times. Any specimens, samples, and figures shall be only approximate. Any representations in specimens, samples, and figures as well as other product descriptions shall not constitute any guarantees. A guarantee shall only be granted if it is expressly confirmed by the Supplier in writing.

2.2. The scope of the delivery shall be based on the written order confirmation of the Supplier and the product description contained in it. If the order has not been confirmed, the delivery note shall be deemed as the order confirmation. In the case of customised products, deviations in quantities up to +/- 10% of the order quantity are deemed as agreed between the parties.

2.3. Deviations attributable to manufacturing or technological progress shall be permissible within the scope of deviations that are customary in the trade and reasonable.

2.4 Any subsidiary agreements and changes shall only be valid if they are confirmed by the Supplier in writing.

3. Prices

3.1. The prices shall be understood as in Euros plus the VAT applicable at the date of the invoicing. The prices shall apply ex works and shall not include packaging, freight charges, customs duties, postage, insurance, and other ancillary costs.

3.2. The Supplier shall be remunerated for all drafts, drawings, models and similar preparatory work caused by the purchaser, even if the respective order is not placed.

4. Terms of Payment

4.1. Payments shall be made within 30 days from the invoice date without any deduction and by bank transfer.

4.2 Other means of payment, such as cheques, shall only be accepted by the parties subject to a special agreement. In the case of a payment using other means of payment, the owed amount shall be deemed paid only when its value is stated on (credited to) the account of the Supplier.

4.3. The purchaser may only offset receivables or exercise a right of retention on the basis of receivables that are uncontested or have become *res judicata*.

4.4 In the case of a default of the purchaser, interest shall be charged at the amount of interest on credits charged by the bank, but at least interest amounting to 9% above the basic rate of interest in accordance with Section 288, subsection 2 of the German Civil Code [*Bürgerliches Gesetzbuch, BGB*]. In the case of a delay in payment of the purchaser, the Supplier shall be furthermore entitled to the payment of a lump sum amounting to EUR 40.00 for the collection in accordance with Section 288, subsection 5 of the German Civil Code. Any further claims of the Supplier for damages shall remain reserved, whereby the lump sum for the collection shall be offset against any claim for damages if the damage is attributable to costs of the pursuit of rights. Any possible discounts or other benefits shall lapse when a default occurs.

4.5. If the terms of payment are not complied with or there are justified doubts in the creditworthiness of the purchaser, the Supplier shall be permitted to claim advance payments and the payment of all outstanding invoices (even the ones that are still not due), to withhold goods that are still not delivered, to retrieve at the purchaser's expense deliveries that are still not paid or to rescind the respective contract.

4.6 The Supplier shall be permitted to redeem an amount agreed upon and retained as security by means of a bank guarantee regarding the net amount.

5. Delivery Dates and Periods

5.1. The dates and periods for deliveries shall only be binding if the Supplier confirms them expressly and in writing. They shall be complied with on the condition that the purchaser has complied with their contractual obligations and has made advance payments agreed upon or has met other advance performance obligations or duties to cooperate that have been agreed upon. If the aforementioned requirements are not complied with, the delivery periods shall be reasonably extended.

5.2. If the Supplier enters into default and this is attributable to the Supplier's fault, and the Supplier let a reasonable grace period to be determined by the purchaser, which shall amount to at least 4 weeks, expire without performing, the purchaser shall have the right to rescind the respective contract. Damages may only be claimed within the scope set out in item 9 of these Terms and Conditions. The purchaser shall be obliged to declare upon the Supplier's request and within a reasonable period whether the purchaser will rescind the contract due to the delay of the delivery or insist on the delivery.

5.3 The delivery period shall be extended by a reasonable amount of time if unforeseeable obstacles occur that the Supplier or upstream supplier could not foresee, e.g. force majeure, interventions by authorities, delays in the supply of energy, missing means of transport, strikes, and lockouts.

6. Shipment, Passing of the Risk of accidental Deterioration, Destruction or Loss

6.1 Unless expressly otherwise agreed upon in writing, the shipment shall be made for the account and at the risk of the purchaser to the purchaser's address. In the absence of other agreements, the Supplier shall select the packaging, the shipment route, and the shipment method.

6.2 The purchaser shall bear the costs of the packaging. If reusable packaging is lent by the Supplier to the purchaser, it shall be returned to the Supplier (carriage paid by the purchaser). Any damaged reusable packaging shall not be taken back. The purchaser shall be obliged to reimburse the Supplier for the costs accruing for the replacement of the damaged reusable packaging if the damage has occurred subsequent to the passing of the risk of accidental deterioration, destruction or loss.

6.3. Upon the handover of the goods to the carrier, the risk of accidental deterioration, destruction or loss shall pass to the purchaser. This shall also apply to cases of carriage-paid deliveries, collection by the purchaser, and cases of transport for own account. Insurance against any kind of damage shall be taken out only upon the purchaser's request and for the purchaser's account.

6.4. Initially, delivered items shall be received by the purchaser even if they are defective and irrespective of any existing warranty claims.

6.5. If the shipment or service is delayed upon the purchaser's request, the Supplier may charge a storage fee amounting to 1% of the net amount of the stored items of the delivery for each commenced month, starting one month after the notification that the items are ready for shipment. The right to prove that no or only lower storage costs have occurred shall remain reserved for the purchaser. The right to prove that higher storage costs have occurred and to claim them shall remain reserved for the Supplier.

7. Reservation of Title

7.1 Until the complete payment of all receivables from the business relationship between the Supplier and the purchaser, the delivered goods shall remain the property of the Supplier. The purchaser shall be permitted to resell the items that are subject to a reservation of title in the scope of standard business transactions. In the case of a resale on credit, the purchaser shall be obliged to secure the Supplier's rights. Any pledge or transfer by way of security by the purchaser shall not be permitted without the express consent of the Supplier.

7.2. An extended reservation of title shall apply. The purchaser has already now assigned to the Supplier their receivables from the resale of the items that are subject to a reservation of title; the Supplier shall accept the assignment. Notwithstanding the assignment and the collection right of the Supplier, the purchaser shall be entitled to collect the debts as long as the purchaser fulfils their obligations in relation to the Supplier and/or does not enter into financial difficulties that last for more than a short time. Upon the Supplier's request, the purchaser shall submit to them the information regarding the assigned receivables required for the collection and notify the debtors of the assignment.

7.3 If the items that are subject to a reservation of title are adapted or processed, the Supplier shall be considered as manufacturer and shall acquire the ownership of the intermediate and finished products. If the purchaser acquires the sole ownership of the new item in the case of a combination, mixing or blending of the items that are subject to a reservation of title with other goods, the contractual partners agree that the purchaser shall grant to the Supplier the co-ownership of the new item at the ratio of the value of the items that are subject to a reservation of title. In all cases, the purchaser shall store the new item on behalf of the Supplier free of charge. The rules in the case of a resale (item 7.2 of these Terms and Conditions) shall apply with the necessary modifications at the amount of the value of the items that are subject to a reservation of title.

7.4. The purchaser shall notify the Supplier without delay and in writing about enforcement measures of third parties regarding the items that are subject to a reservation of title or regarding the receivables assigned in advance, whereby the records required for the intervention shall be submitted, and the purchaser shall grant to the Supplier or their agents access to the storage place of the goods and shall assume the costs of any possible intervention.

7.5 The Supplier shall undertake to release the securities that they are entitled to in accordance with the foregoing provisions – at their option and upon the purchaser's request – insofar as the value exceeds the receivables to be secured by 10%.

7.6. The purchaser shall be obliged to duly store the items that are subject to a reservation of title and to insure them against theft, breakage, water damages, and other damages at their own expense. The insured sum of the insurance to be taken out and maintained by the Supplier shall cover at least the value of the items that are subject to a reservation of title. The insurance claims shall be deemed to be assigned to the Supplier at the amount of the value of the items that are subject to a reservation of title.

7.7. The Supplier shall be permitted to rescind the respective contract and to withdraw the items that are subject to a reservation of title in the case of breaches of duties of the purchaser, particularly a delay in payments, and the expiry of a reasonable time limit, which was set for the purchaser and during which no remedial action has been taken. The statutory provisions regarding the dispensability of setting a time limit shall remain unaffected. The purchaser shall be obliged to return the items.

7.8. The Supplier shall reserve their ownership right and copyright to cost estimates, drawings, and similar records. They may not be disclosed to third parties.

7.9 If the reservation of title may not be agreed upon with the same effect as in German law in the case of deliveries to foreign countries, but the reservation of other rights to the delivery item is permitted, the Supplier shall be entitled to these rights. The purchaser shall cooperate in this in all respects.

8. Defects of Quality

8.1. In the case of a defect, the Supplier shall, at their option, perform a substitute delivery or make a subsequent improvement. Replaced parts shall return to the Supplier's ownership. If the Supplier allows to elapse a reasonable grace period, which shall be set for them by the purchaser, without removing the defect or if the subsequent improvement or substitute delivery fails twice, the purchaser shall be permitted to rescind the respective contract or to reduce the remuneration. If only a part of the delivery is deficient, the purchaser shall be entitled to rescind the respective contract only regarding the deficient delivery, unless the partial delivery is unusable for them.

8.2. Claims arising from defects shall become statute-barred 12 months after the passing of the risk of accidental deterioration, destruction or loss. This shall not apply if the law prescribes longer periods in accordance with Section 438, subsection 1, number 2 (buildings and items for buildings) and Section 634a, subsection 1, number 2 (construction defects) of the German Civil Code, and in all cases of item 9 of these Terms and Conditions.

8.3. Notice of obvious defects shall be given in writing and without delay in accordance with Section 377, subsection 1 of the German Commercial Code [*Handelsgesetzbuch, HGB*], but no later than within 10 days after the receipt of the delivery. Notice of unobvious defects shall be given in writing and without delay after they have been detected. Otherwise the delivery shall be considered as duly performed. Any further inspection and notification obligations in accordance with Sections 377 and 378 of the German Commercial Code shall remain unaffected.

8.4 Return shipments of goods shall require a mutual agreement. Unless they have applied the necessary care for the due return shipment, the purchaser shall be liable for damages occurring during the return shipment.

8.5. No warranty shall be assumed for defects that are caused by the non-compliance with requirements of the Supplier, generally accepted rules of engineering or requirements of the manufacturers regarding installation, start-up or use or unsuitable or inappropriate use or defects that are based on natural wear and tear. Furthermore, warranty claims shall be excluded if the purchaser or a third party carries out changes or maintenance works without the prior consent of the Supplier or if the defect is based on the use of supplies of the purchaser, unless there is no causal relation between the defect and the changes/maintenance works or the supplies. The same shall apply if the cause of the defect still did not exist at the time when the risk of accidental deterioration, destruction or loss has passed.

8.6. Any further claims of the purchaser against the Supplier and their performing agents shall be excluded, particularly any claim for damages that did not occur to the delivery item itself and for consequential damages. This shall not apply in the cases of item 9 of these Terms and Conditions.

8.7. The foregoing regulations shall apply with the necessary modifications in the case of defects that were caused by consulting services or within the scope of other contractual secondary obligations, particularly the provision of instructions for the use and maintenance of the delivery item.

9. Liability

9.1. Unless otherwise set out in these Terms and Conditions, the Supplier shall be liable for damages and the reimbursement of wasted expenses based on the infringement of contractual or extra-contractual duties only

a) – without a limitation of the amount of the damage – regarding any damage that was caused by intent or gross negligence of the statutory representatives, the officers or the performing agents of the Supplier, by severe organisational fault, by an infringement of life, body, or health or within the scope of the assumption of a guarantee or a procurement risk,

b) – with a limitation to any damage that is typical and foreseeable on the basis of the use of the goods that is predetermined by the respective contract – regarding damages arising from the culpable infringement of essential contractual obligations the fulfilment of which enables the due performance of the respective contract in the first place and the compliance with which the purchaser may regularly rely on (so-called cardinal obligations), unless there is an intent or gross negligence of the statutory representatives, the officers or performing agents of the Supplier or there is a liability on the basis of an infringement of the life, body, or health or the assumption of a guarantee or a procurement risk.

The foregoing regulation shall not imply a change of the burden of proof to the disadvantage of the customer.

9.2. The statutory liability on the basis of fraudulent intent or for personal injury (e.g. in accordance with the German Product Liability Law) shall remain unaffected by the foregoing regulations.

10. Moulds, Tools, Sales Records

10.1. The costs for the manufacturing, procurement, change, repair or provision of manufacturing moulds or tools shall be borne by the purchaser. The ownership of such moulds and tools as well as the copyrights related thereto shall remain with the Supplier even after the payment. This shall not apply if the purchaser provides their own manufacturing moulds or tools for carrying out their assigned work and the Supplier has not changed them significantly.

10.2 The Supplier shall undertake to use manufacturing moulds or tools of the purchaser, if the Supplier has not changed them significantly, only for processing the orders of the purchaser.

10.3 The Supplier shall undertake to have available the manufacturing moulds or tools paid by the purchaser until the natural wearout, but for no longer than the duration of 2 years after the latest delivery.

10.4. All sales records such as catalogues, samples books, price lists, etc. that have entered into the purchaser's possession, shall remain in the Supplier's ownership and shall be returned to the Supplier upon request.

11. Protective Rights

11.1. The Supplier shall be liable for the fact that the delivery is carried out free from industrial property rights and copyrights of third parties. If a third party asserts justified claims against the purchaser due to the infringement of

protective rights by deliveries of items performed by the Supplier that are used in accordance with the respective contract, the purchaser shall inform the Supplier without delay and in writing. The purchaser shall not acknowledge of their own accord the claims of third parties. The purchaser shall support the Supplier to the best of their ability and within a reasonable scope in the judicial and extrajudicial safeguarding of rights. At the Supplier's option, the Supplier shall defend or satisfy the respective claim or replace the concerned services by services of equal value that comply with the contractual provisions if this is reasonable for the purchaser. If it is not possible to take a remedial action within the meaning of the foregoing regulations using an appropriate effort, the Supplier shall reimburse the purchaser for the price paid, whereby an appropriate remuneration for the use shall be offset against that amount. In such a case, the purchaser shall be obliged to return the services to the Supplier if possible. Any further claims of the purchaser shall be excluded. The regulations in item 9 of these Terms and Conditions shall apply with the necessary modifications.

If the purchaser does not act on the basis of a mutual agreement with the Supplier and in accordance with the foregoing regulations in defending third party claims due to the infringement of protective rights, the Supplier shall be released from the foregoing obligations. The same shall apply if the third party claims are based on the fact that the purchaser has changed the services of the Supplier or used them under other conditions than the ones contractually agreed upon.

11.2. The purchaser shall be liable for the fact that the performance of the work assigned by the purchaser on the basis of their own requirements regarding shapes, colours, sizes, and weights does not infringe any protective rights of third parties. In the case of any possible third party claims, the purchaser shall indemnify the Supplier and reimburse them for any damage possibly accrued. In case the Supplier's production or delivery is prohibited by a third party referring to a protective right of the third party, the supplier is entitled - without examination of the legal situation - to stop work. If the Supplier has knowledge of protective rights of third parties that are obviously infringed by the delivery, the Supplier shall notify the purchaser of this.

11.3 All documents that are provided by the Supplier with relation to the order must not be duplicated or made available to third parties without the explicit approval of the Supplier. Supplier reserves ownership and intellectual property rights.

12. Place of Performance / Jurisdiction

12.1 The place of performance for all deliveries and payments shall be the Supplier's place of business. Provided that the purchaser is a businessperson or legal person under public law or a special fund under public law, the place of jurisdiction regarding all disputes arising from the contractual relationship shall be a court that has the local and subject matter jurisdiction for the Supplier. The Supplier may also bring a legal action in the registered seat of the purchaser.

12.2. Exclusively the right of the Federal Republic of Germany shall apply; the UN Convention on Contracts for the International Sale of Goods (CISG) shall be excluded.

13. Confidentiality, Data Protection

13.1 The purchaser shall undertake to treat as confidential, even after the termination of the respective contract, all items and information which are protected by law or contain business or company secrets or are designated as confidential and which are received from or disclosed by the Supplier before or during the performance of the respective contract, unless they are publicly known without an infringement of the confidentiality obligation. The purchaser shall keep and secure these items and information in a way that access by third parties is excluded. The purchaser shall particularly warrant to not make confidential information accessible to third parties even in another form and to take all reasonable precautions to prevent an access of third parties to confidential information.

13.2 The Supplier may collect, process, and use personal data from employees and representatives of the purchaser in accordance with Article 6, section 1, lit. b) of the EU General Data Protection Regulation for the purpose of performing the respective contract and shall in the course of this observe the provisions of the EU General Data Protection Regulation and the Federal Data Protection Law [*Bundesdatenschutzgesetz*].

14. Binding Character of Contracts, written Form

14.1 If individual provisions of these general terms and conditions of contracts are or become completely or partially invalid, or if these general terms and conditions of contracts contain a regulatory gap, the validity or the other provisions shall remain unaffected thereof. Instead of the ineffective provision, such provision shall be deemed to be agreed upon that corresponds to the meaning and purpose of the invalid provision. In the case of a regulatory gap, such provision shall be deemed to be agreed upon that corresponds to what would have been agreed between the parties in accordance with the meaning and purpose of the respective contract if the parties would have considered the issue in the first place.

14.2 Any changes and any amendment of the respective contract between the purchaser and the Supplier shall only be effective when made in writing. The requirement of the written form hereby agreed upon may only be rescinded or changed while complying with the written form. The parties have not entered into any oral arrangements.

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