

General Terms and Conditions of Purchase

1 General

1.1 These General Terms and Conditions of Purchase apply to all orders placed by Paul Wärmerückgewinnung GmbH, and by CORE Energy Recovery Solutions GmbH (hereinafter referred to individually or jointly as „Core“) and to all deliveries to Core for both, goods and services. Any terms and conditions to the contrary do not form a part of the contract, even if Core does not expressly object to the delivery terms and conditions of the contracting partner (hereinafter referred to as "CP"). If Core accepts deliveries or services without any express objection, under no circumstances can this be construed as acceptance of the terms of delivery of the CP by Core.

If there are any inconsistencies or contradictions between these General Terms and Conditions of Purchase and the contract, the provisions contained in the contract shall prevail.

1.2 All agreements and legally relevant declarations of the contracting parties must be made in writing in order to be valid.

1.3 Tenders are always binding and must be submitted free of charge. The CP shall process requests from Core unchanged and clearly indicate the alternatives.

Remuneration for drawings, demonstrations, visualisations, visits, drafts and sample deliveries shall not be granted.

2 Ordering

2.1 Orders, amendments and supplements as well as any amendment to the written form requirement itself must be made in writing. Any such correspondence is to be made exclusively through the purchasing department office specified in the purchase order. Orders as well as changes or additions thereto may be made electronically.

2.2 The type, scope and time of the specific service to be provided or goods to be delivered by the CP shall be specified in detail in writing between the parties for each individual case and are generally binding. The CP shall immediately notify Core of any obvious errors (e.g. spelling / calculation errors) and/or incomplete orders or missing order documents for the purpose of correction, otherwise the contract shall be deemed as not concluded.

2.3 Any objections by the CP must be communicated to Core in writing within 5 days of receipt of the order.

2.4 By submitting the offer, the CP acknowledges that it is aware of all facts and circumstances relevant to the calculation, construction and execution of the delivery/service including accessories.

2.5 The prices listed in the order are binding and, unless otherwise agreed in individual cases, include all services, all ancillary costs, proper packaging, transport costs, transport and liability insurance. The CP must take back packaging material at the request of Core.

2.6 If an order is placed without a price or reference price, Core reserves the right to approve the price after receipt of the order confirmation or invoice.

2.7 If Core requests an order confirmation, a contract shall only be concluded insofar as the order confirmation fully complies with the provisions of the order. An amended, extended, limited or delayed acceptance shall be regarded as a new offer and shall in any event require acceptance by Core.

2.8 The subcontracting of orders to third parties is only permitted with the express consent of Core. In this case, the CP shall in principle act in its own name, for its own account and at its own risk, and shall be liable for the actions of the third party as if they were its own.

3 Changes to orders

3.1 Core has the right to amend orders at any time with regard to the quantity or the service to be provided. The price shall be adjusted appropriately according to the changed order. If Core notifies the CP of its intention to do so, the CP shall inform Core in writing within a reasonable period of five (5) working days of the amount of the resulting additional or reduced costs and of any changes to the timetable. Core will then inform the CP whether the order will be changed as indicated or left as originally submitted.

3.2 All costs arising from subsequent changes to the specification or the order shall be borne by the CP if the changes were made by the CP without the approval of Core.

3.3 Core has the right to cancel orders placed at any time without being liable to pay damages or other compensation to the CP. Payments for goods and services delivered or rendered prior to the withdrawal of the order are reserved.

4 Documentation

4.1 Any documents provided by Core, such as drawings, models and samples, etc., remain the property of Core. They are to be used by the CP exclusively to serve the interests of Core. Such documents may not be used in any form or brought to the attention of third parties without the express written consent of Core.

4.2 All documents shall be returned to Core immediately upon request; the CP has no right of retention.

4.3 The CP shall, in good time before fabrication or provision of the delivery, submit all the important technical documents to Core, such as drawings with main dimensions, material lists, plans, diagrams, test specifications, etc., in duplicate and in binding form for review and comment. Presentation and approval of the documents by Core shall not release the CP from the responsibility of complying with the guarantees and obligations assumed under the contract. The CP shall, no later than upon delivery, provide Core with two copies of detailed instructions for the assembly, disassembly, monitoring, operation and maintenance of the entire delivery.

5 Delivery dates / delays

5.1 The delivery dates are understood to be the date and time for delivery of the goods and/or performance of the service on the agreed day at the agreed time and place.

5.2 The agreed delivery dates must be met. To avoid imminent deadline overruns, the CP undertakes to arrange urgent or express delivery and to pay any additional costs incurred as a result. In addition, Core reserves the right to decide in advance whether it will insist on performance and claim compensation for a delay or whether it will waive performance of the contract. In any case, the right to claim damages remains reserved. The right to exceed the delivery date due to force majeure is reserved; in this case, the delivery period shall be extended accordingly.

5.3 Compensation for delays amounts to 0.3% of the total price for each calendar day of delay, but no more than 5% in total. Core may claim compensation for delays up to the final invoice, even if Core does not expressly reserve the right to do so when accepting/approving the delayed delivery/service. A delivery shall be regarded as late if it has not been made on the agreed delivery date. Any provisions to the contrary must be agreed to in writing.

5.4 Compensation for delays constitutes a contractual penalty. The payment of compensation for delays shall not release the CP from its obligation to fulfil the delivery in accordance with the contract.

6 Delivery and transport

6.1 The products shall be carefully packaged by the CP. Core reserves the right to refuse to accept deliveries with defective packaging, incorrect labelling, incorrect or missing documents as well as partial or advance deliveries that have not been confirmed in writing beforehand, or to accept them and store them at the cost and risk of the CP until the contract has been fulfilled in full.

6.2 Core and its representatives shall have free access to the workshops of the CP and those of its subcontractors by prior appointment, and shall be provided with all information requested concerning the status of the work, the quality of the materials used, etc. Neither the exercise of the aforementioned controls by Core nor the performance of acceptance tests shall release the CP from full responsibility for complying with the contractually assumed guarantees and obligations.

6.3 Freight and packaging, insurance costs, expenses, licence fees, ancillary costs and all public charges shall be borne by the CP. Unless otherwise agreed, the place of performance for delivery and service obligations is to be the delivery address specified by Core in the order. In the absence of an express agreement to the contrary, deliveries released for free circulation within Europe shall be DDP, in the case of cross-border deliveries from third countries this shall be DAP (Incoterms 2020).

6.4 Each shipment must be accompanied by a delivery note with all the technical specifications, the place of delivery and the order number.

6.5 Ownership of the contractual items shall pass to Core upon payment in full. Core is entitled to further process or resell the goods as agreed even before payment in full. An extended or expanded retention of title requires the express written consent of Core.

7 Contractual language, correspondence

The contractual language is German or English. All correspondence, all other documents, guarantees and records shall be in German or English. Insofar as the contracting parties use another language in addition, the German version shall take precedence.

8 Acceptance of deliveries

8.1 A delivery is regarded as accepted only after Core has had a reasonable time to inspect the delivery or, in the case of a defect in the goods delivered, after a reasonable time following the discovery of the defect.

8.2 If goods delivered to Core violate clauses 6 and 11 of these General Terms and Conditions or otherwise deviate from the order or violate contractual obligations, Core shall be entitled, without limiting any further rights to which Core is entitled on the basis of this agreement, to refuse acceptance of the delivery and to demand replacement of the goods delivered, to reduce the purchase price or to withdraw from the contract.

9 Invoicing

9.1 Invoicing shall take place immediately after complete and defect-free delivery/service. Invoices shall be issued in such a way that they are verifiable on the basis of the respective order and that the deliveries/services performed can be clearly allocated. Invoices must meet the requirements of §§ 14, 14a UStG (the German Value Added Tax Act).

9.2 The Core order number and the CP's bank details must be noted on all documents such as confirmations, delivery notes, invoices and similar documents. Invoices should preferably be sent electronically to Core by the CP. The requirements for this are described in the "electronic supplier invoices" information sheet. (Core shall provide this information sheet to the CP upon request)

9.3 For services rendered at Core, invoicing shall be carried out via a form from the CP that has been agreed upon with Core and acknowledged by the relevant division heads of Core by means of their signature. Invoices that have not been properly submitted shall only be regarded as received by Core from the time of correction.

10 Payment

10.1 Payments shall be made within 60 days of receipt of the invoice. Any terms of payment to the contrary must be stipulated in writing by the contracting parties.

10.2 Place of performance for payments is 08141 Reinsdorf, August-Horch-Straße 7.

10.3 If the final acceptance only takes place after trial operation and expiry of the warranty period, 10% of the final delivery price shall be retained as a warranty retention until after expiry of the warranty period. The warranty retention shall be regarded as security for the obligations of the CP under the warranty provisions. It shall be released by Core after the expiry of the warranty period if no defects have become apparent in the delivery or if the CP has completely fulfilled its warranty obligations. No interest shall be paid on the guarantee retention.

11 Warranty and liability

11.1 a) Core already fulfils its obligation to inspect and give notice of defects by checking that the accompanying documents for the goods are checked for conformity with the recipient of the goods specified in the individual order, including the type and requested quantity of the contractual products ordered,

- by checking quantity differences as compared to the CP delivery note and the individual Core order,
- by checking externally visible transport damage to the packaging and the contractual products ordered

b) The obligation to notify the CP immediately of any defects discovered is deemed fulfilled if the notification of defects is received by the CP within one week of the transfer of risk (in accordance with point 6.3 of these General Terms and Conditions of Purchase at the place of performance).

c) Core reserves the right to carry out an additional inspection of incoming goods. Moreover, Core is to give notice of defects as soon as they are discovered. In this respect, the CP waives the claim of late notification of defects.

11.2 The CP guarantees that the products to be delivered by it under the contract are free from defects in all respects and meet all contractually agreed specifications, in particular with regard to material, design, finish and technical design, documentation and required quality standards. The CP undertakes to maintain an appropriate quality management system and to have the necessary means and facilities for quality inspections.

The manufacture of the goods and the execution of the delivery shall be carried out with proven design and procedures. The latest developments in science and technology shall be observed. Maximum operational safety must be ensured. The product shall be designed in such a way that the need for

revisions and repairs is minimal and can be carried out in the shortest possible time with the least effort and cost.

All deliveries and services shall observe and comply with the relevant laws and regulations.

11.3 Unless otherwise agreed, claims based on material defects in the products delivered by the CP shall come under the statute of limitation after 24 months.

11.4 In the event of a defective delivery by the CP, Core shall be entitled, at its discretion and within the legal framework, to demand either rectification of the defect or delivery of a defect-free item from the CP.

11.5 The CP shall bear all expenses required to eliminate the defect or for the collection and subsequent delivery. In addition, the CP undertakes to bear all costs associated with the replacement or rectification of the defective contractual products, in particular the inspection, sorting, transport, labour and material costs, irrespective of whether these are incurred by Core or a customer of Core or a third party (e.g. the end customer).

11.6 The CP is also obliged to indemnify Core against any claims asserted by third parties due to the defectiveness of a contractual product, insofar as the CP is responsible for the defect. This shall also include the costs of any necessary replacement or rectification of products in which Core has incorporated defective contractual products as well as the costs for the warranty processing.

11.7 If, in the event of a series defect, the replacement of an entire series of contractual products or products of Core, into which the contractual products of the CP have been installed, becomes necessary, e.g. because an error analysis is uneconomical, not possible or not reasonable in the individual case, the CP shall reimburse the above-mentioned costs also with regard to the part of the affected series which technically does not have a defect.

A serial defect shall be deemed to exist in particular if the same defect occurs in at least 2.5% of the quantity of contractual goods of the same type delivered in a calendar month. According to the parties, if the 2.5% limit is exceeded, it no longer qualifies as a one-off qualitative deviation. In the case of a defect rate of less than 2.5%, an agreement is made between Core and the CP as to whether a serial defect exists.

11.8 Core is entitled to sort out and return or to scrap defective contractual items at its expense – after consultation with the CP.

11.9 Core shall also be entitled to remedy the defect itself to the extent necessary at the expense of the CP if there is imminent danger or special urgency. The parties agree that setting a deadline becomes unnecessary in the case of special urgency (e.g. a production stop at the customer). In these cases, Core shall inform the CP immediately and coordinate further measures with the CP.

11.10 In all other respects, the statutory provisions apply

12 Indemnification and holding harmless

The CP guarantees that the delivery or use of the goods supplied by it does not infringe any third party rights (e.g. patents, trademarks, property rights, computer software rights) and undertakes to fully indemnify and hold Core harmless from any third party claims, proceedings, liabilities, damages and costs and expenses of whatever nature, insofar as they are related to the supply of goods and/or services by the CP or its failure to monitor the conditions indicated or the offer of such goods by Core to its customers.

13 Property rights

The CP transfers all copyrights that it creates within the scope of this contract to Core. In particular, Core is granted the right to use such rights without restriction, for an unlimited period and free of charge.

14 Confidentiality

The CP undertakes to uphold the confidentiality of all information and documents of which it becomes aware in the performance of the contract with regard to third parties. The CP shall limit access to such information and documents by its employees, agents and subcontractors to what is necessary. The same applies to the purpose of the delivery. The CP shall ensure that employees, agents, subcontractors and third parties submit to the same duty of confidentiality as the CP and hold themselves liable for any unauthorised breach of the duty of confidentiality. This obligation is unlimited in time.

15 Ethical conduct

15.1 The CP hereby warrants that it will not, directly or indirectly, make any payment, gift or other promise to its clients, to any official or employee of Core or to any third party in contravention of applicable law (including the U.S. Foreign Corrupt Practices Act and the UK Bribery Act) and that it has no knowledge that any other person will do so. The CP shall comply with all relevant laws, rules and regulations regarding bribery and corruption.

15.2 Nothing in these General Terms and Conditions obliges Core to reimburse the CP for any such payments or services.

15.3 The material breach of any provision of this Ethical conduct section shall entitle Core to terminate the contract with immediate effect, without prejudice to any further rights and remedies of Core under this contract or by law. The CP shall indemnify Core against all obligations, liabilities, costs and expenses to which Core may be subject as a result of any breach of any obligation under this section or as a result of the termination of this contract.

15.4 The CP shall ensure that it receives a copy of the Core code of conduct (Zehnder Group code of conduct) in a timely manner. The CP also has the option of obtaining the code of conduct via the Zehnder Group website. The CP shall, in the performance of its obligations under this contract, be guided by ethical rules of conduct substantially equivalent to the code of conduct of Core and shall ensure that its employees and subcontractors also conduct themselves accordingly in the performance of this contract.

16 Data protection

Core is a subsidiary of Zehnder Group AG. Zehnder Group AG and its Group affiliates (hereinafter "Zehnder") comply with the relevant provisions of the Data Protection Act at all times. In the context of the respective order processing and cooperation with commercial partners, Zehnder is entitled to collect, process and use the data of the contact persons from the CP for all purposes related to the performance of the contract. The basis for this is the following:

- a) the processing of the contract in accordance with Art. 6(1)(b) of the EU General Data Protection Regulation (GDPR);
- b) the justified interests of Zehnder in accordance with Article 6(1)(f) of the GDPR.

Based on its justified interests, Zehnder may disclose and use the aforementioned data for the specified purposes within the Group affiliates. The recipients may be located in countries that do not have an equivalent level of data protection. In these cases, data protection is ensured with the Group affiliates by means of standard data protection contractual clauses in accordance with Art. 46(2)(c) of the GDPR. The data subject may object at any time to any further use of his/her personal data beyond the processing of the contract. For information or objections to data processing, please contact the following office: datenschutz@zehnder-systems.de.

17 Data management incidents

The CP must respond appropriately in the event of an incident regarding information security or cyber security. The CP undertakes to report such incidents, including personal data breaches pursuant to Article 33 of the EU General Data Protection Regulation, to Zehnder or any of its subsidiaries or affiliates without undue delay and no later than 48 hours after becoming aware of such an incident. These incidents are to be reported to: security@zehndergroup.com.

The notification must at the very least include the information set out in Article 33(3) of the EU General Data Protection Regulation. Notification to Zehnder does not exempt the CP from notifying the supervisory authority in accordance with Art. 33 of the EU General Data Protection Regulation.

18 Applicable law and place of jurisdiction

17.1 The legal relationship shall be governed by the law of the Federal Republic of Germany, the UN Convention on Contracts for the International Sale of Goods of 11 April 1980 excluded.

17.2 The place of jurisdiction for all disputes arising from the contractual relationship is Zwickau/Germany. However, Core reserves the right to assert claims in any other competent jurisdiction.

19 Final provisions

18.1 Should individual provisions of the agreement concluded between the parties be wholly or partially invalid or individual points be unregulated, this shall not affect the validity of the remaining provisions. In place of the invalid provision or the unregulated aspect, an appropriate provision shall be deemed to

have been agreed which, as far as legally possible, comes as close as possible in economic terms to the provision intended by the parties.

18.2 The claims due to the CP may not be offset, assigned or pledged without the prior written consent of Core.

Reinsdorf, 22.5.2022