General Delivery Terms of HOSOKAWA MICRON POWDERS GmbH

1. Scope of application

1.1. Our quotations and processing orders – including future ones – are subject to these General Delivery Terms. We accept orders solely on the basis of these General Delivery Terms, insofar as they have not been altered following an explicit and written agreement between us and the customer. We shall not recognise any General Terms of Business of the customer which wholly or partially deviate from our General Delivery Terms unless we have expressly approved the same in writing. Our General Delivery Terms shall also apply exclusively if – despite knowledge that the customer's Terms of Business differ from our own – we execute the customer's processing order without reservation.

1.2. Our General Delivery Terms as well as our written quotations and order confirmations constitute the object of the agreement.

2. Quotations and notification requirements

2.1. The customer is obliged to give information about the properties of the material to be processed by providing a current and complete safety data sheet drawn up in accordance with the requirements of EU Regulation No. 1907/2006 of the European Parliament and of the Council from the 18th December 2006 (**REACH**). Any damage caused by contamination of the delivered material must be compensated by the customer.

2.2. We reserve proprietary rights and copyrights to any documents prepared or provided by us. This applies especially to such written documents which are marked "confidential". Prior to passing on any such documents to third parties, the customer requires our express written consent. Upon request, the documents are to be returned to us free of charge.

2.3. Absolute purity of the end product and the return of a defined quantity of finished material is not guaranteed by us unless we have expressly agreed this in writing. The state of the art generally recognised in Germany otherwise forms the basis of the order.

3. Processing

3.1. The compliance with any agreed deadlines for processing orders presupposes the timely receipt in due form of all materials, documents, data, permits, certificates, quota allocations and clearances which are to be furnished by the customer, as well as the receipt of an advance payment if agreed. Should these prerequisites not be fulfilled in a timely manner, the deadlines shall extend accordingly or shall be rescheduled, or shall entitle us to demand damages and/or to rescind the contract. This shall not apply in the event that we are responsible for the delay.

3.2. Should a processing order be delayed by circumstances for which we are not responsible, the processing deadline shall be extended by the duration of the hindrance in question. This shall apply especially to operational interruptions such as strike, lock-out, pandemics (e.g. COVID-19 pandemic or the like), epidemics or government intervention without cause, fire damage, frost damage as well as force majeure and material defects as defined in Section 2.1 for which we, our suppliers or sub-suppliers are not at fault. Should a binding processing or delivery deadline be delayed by such a hindrance for more than three months and if it is not possible to foresee that the processing or delivery problem in question will be rectified within a period of an additional four weeks, both contracting parties are entitled to withdraw from the contract. However, under no circumstances shall we be responsible for any delays which are occasioned by subsequent requests for changes and/or altered performance by the customer.

3.3. Processing and delivery deadlines shall commence upon the dispatch of our order confirmation, albeit not before receipt of the documents stipulated in Section 3.1. A delivery deadline shall be deemed met if the delivery item is available for collection at our factory (EX-works Incoterms 2010) within the agreed delivery period or in the event that a more far-reaching delivery obligation was not individually agreed upon in writing and met.

3.4. The material for processing provided by the customer remains his property. The delivery and storage of the material to be processed on our premises is at the risk and expense of the customer. The associated risks must be covered by means of suitable insurance coverage by the customer at his own expense. The customer is responsible for taking out the appropriate insurance coverage. We are entitled to demand proof of said coverage. The same applies to the transport of the material as well as storage on our premises. If delivery and collection of the material is arranged by the customer, he is considered the consignor in the sense of §412, Paragraph 1 of the German Commercial Code, and is responsible for the safe transport and loading, stowage and securing of the material in accordance with the prevailing laws and the generally recognised state of the art. The customer must furthermore place a corresponding obligation on any freight forwarders and other third parties he makes use of.

3.5. In the event of a delay for which we are responsible, the customer shall set us in writing a reasonable period of additional time. As a rule, this is usually at least four weeks.

3.6. Should the customer fail to collect the material within the agreed delivery period, the delivery item shall be stored on our factory premises or at another suitable location at the risk and expense of the customer. The customer is obliged to reimburse us for the actual or locally standard and appropriate storage costs. After expiry of four weeks subsequent to our request to collect the goods, we are entitled without prejudice to other claims to demand compensation, to withdraw from the contract or, subsequent to advance warning, to sell the material by way of a self-help sale in the sense of §373 of the German Commercial Code for the account of the defaulting customer. An advance warning is not necessary if the consignment is susceptible to spoilage or in the event of exigent circumstances or if the warning is not appropriate for other reasons.

3.7. We are entitled to render partial deliveries and partial performance in as far as this was agreed in writing or if the contract foresees separate partial performance from the outset or if this is reasonable for the customer and that with the partial performance, the contract is still of interest to him. We are also entitled to invoice permissible partial deliveries and performance in accordance with the percentage of completion. Otherwise, the agreed payment terms shall apply.

4. Prices

4.1. The prices stated in our confirmation of order plus the statutory value-added tax are authoritative.

4.2. Unless otherwise expressly agreed, all prices are net ex-works or ex-warehouse prices, and exclude packaging, loading costs, freight charges, customs, insurance, any and all charges, customs duties or any other charges in connection with export from the Federal Republic of Germany and import into the country of destination (EX-works Incoterms 2010).

4.3. Unless the packaging is provided by the customer, it shall be invoiced on the basis of our quotation and otherwise at standard market prices. Unless otherwise agreed, no packaging material shall be accepted back. Should we take the material back, the customer shall bear the costs of the packaging material.

4.4. The agreed prices are based on the labour, material and energy costs that prevail at the time of contract conclusion. Should such costs rise or fall between conclusion and execution of the contract by more than 5%, we are entitled to charge a price that is correspondingly higher or lower in proportion to the percentage of these costs commensurate with the changed price. Such entitlement shall not apply in the event that we are guilty of not giving consideration to the possibility of such costs changing when calculating the price. In the event that the order is completely or partially cancelled at short notice by the customer – especially two weeks before beginning the job – we are entitled to demand 50% of the order value in damages. In the case that the properties of the raw materials provided by the customer deviate from those contractually agreed upon or if the material displays an atypical behaviour during processing, we are entitled to demand a contract modification, to moderately increase the prices under consideration of a mark-up, or to terminate the contract and to charge a reasonable price for the performance rendered up until then.

4.5. Section 4.4 shall apply correspondingly in the event that, as an exception, we contractually assume responsibility for the payment of freight charges, customs duties or other charges, and such charges change by the delivery date in a manner we could not be expected to foresee.

5. Payment

5.1. Unless otherwise agreed, the customer undertakes to pay the contractually agreed payment without deduction by bank transfer to our bank account immediately upon receipt of the invoice. Payment methods or deadlines that deviate from this require a separate written agreement.

5.2. In the event of the customer defaulting on payment, we are entitled to charge interest at the statutory interest rate. Should we be in a position to prove on a different legal basis that the delay in payment resulted in higher costs, we are entitled to assert a claim for the higher costs.

5.3. Payment shall not be deemed effected until the amount in question is at our disposal, whereby the date of crediting to our account is decisive. Payments by cheque are only accepted conditionally and are not deemed effected until the cheque in question has been credited to our account. In the event that following contract completion, we should become cognizant of any circumstances which give rise to justified doubts of the solvency and creditworthiness of the customer at maturity, we are entitled, under consideration of the realisable value of any receivables which have already been assigned as security or any ownership by way of security which has been acquired, to make further processing of the order and delivery contingent upon the provision of adequate security in the sense of §232 of the German Civil Code. The customer shall be set a reasonable deadline in writing in advance for the provision of such security. In the event of failure to furnish said security within the set period of time or in the event of the customer defaulting on a payment obligation vis-à-vis ourselves, we shall be entitled to call in all outstanding – including deferred – receivables from the customer with immediate effect, to refuse our performance or to terminate the contract.

5.4. The customer may only make use of counterclaims from the same contract which have been established on a legally binding basis or are undisputed to offset against our receivables. This shall apply mutatis mutandis to the assertion of a right of retention or a right to withhold payment. Under these conditions, retention on the grounds that a notice of defect has been served shall only be permissible in reasonable proportion to the defect which has occurred or was alleged to occur.

6. Contractual performance and claims for defects

6.1. For technical reasons, a material loss of up to 5% in weight not including drying losses of the supplied raw material is possible and does not represent a defect. The return of a specific amount of end product only constitutes a contractual obligation if at the latest upon delivery of the raw material, this was expressly agreed in writing. Grinding operations are otherwise to be performed in accordance with the recognised state of the art that prevails at the time of order placement.

6.2. The customer's rights arising from our liability for defects require that the customer has properly fulfilled his obligations to inspect and to provide notification of any defects in accordance with §377 of the German Commercial Code. If the customer does not notify us immediately of an apparent defect, the delivery is considered accepted. Any other defects must be reported immediately upon their discovery.

6.3. Assuming timely and justified complaint on the part of the customer, the customer is entitled to choose between either rectification of the defect or replacement delivery, unless the method of rectification chosen by him would give rise to disproportionate costs.

6.4. In the event of our defaulting on the rectification of a defect, the customer shall be required to allot us a one-off reasonable period of additional time of at least four weeks. Following expiry of said period or upon the failure to rectify a defect or provide a replacement delivery, the customer shall be entitled at his discretion to withdraw from the contract or to demand a reduction in the purchase price.

6.5. The period of limitation regarding claims for defects is twelve months following the passage of risks.

6.6. With respect to the quality of the delivery item, the contractual agreement is always and exclusively authoritative.

7. Claims for compensation

7.1. Claims for compensation filed by the customer – including those of a non-contractual nature – shall be excluded in the event of breaches of obligations caused by minor negligence on our part or on the part of our legal representatives and agents. This shall not apply in the event of a minor breach of a fundamental contractual obligation, i.e. an obligation whose fulfilment is a prerequisite for proper execution of the contract in the first place and the compliance of which the customer can rely on as a matter of course (cardinal obligation). However, in this case, liability shall be restricted to the type of typical damage that can be foreseen at the time of contract conclusion.

7.2. It should also be noted that otherwise, we shall only be liable in the event of intent or gross negligence on our part or gross negligence on the part of our executive employees as well as intent or gross negligence on the part of our agents.

7.3. Our liability is limited to the type of typical damage that can be foreseen at the time of contract conclusion. Except for in cases of intent, the reimbursement of pure economic loss, e.g. production downtime or lost profits, shall be limited by the general principles of good faith, for example, in those cases of a disproportionate discrepancy between the order value and the extent of incurred damage.

7.4. We accept no liability for contamination, tramp inclusions and such like in the material delivered to us by the customer, nor for any deviations of the raw material delivered to us by the customer from the specific material values (e.g. particle size range or hardness) either agreed upon or predefined by us. In the event that the material processed by us in accordance with the contract proves to be unusable for the customer for reasons other than those for which we are responsible, the customer remains bound to the contract.

7.5. By the same token, no liability is accepted for damage caused by the rectification of defects carried out without our approval, in as far as no self-remedy right was agreed or rescission of contract on the part of the customer was made effective beforehand.

7.6. Insofar as liability for damages vis-à-vis ourselves is excluded or restricted, this shall also apply with regard to the personal liability for damages on the part of our white- and blue-collar staff members, associates, representatives and agents.

7.7. This shall have no effect on any claims pursuant to the Product Liability Act or mandatory statutory provisions such as loss of life or damage to health or physical integrity.

8. Retention of title

8.1. Regardless of the delivery and the passage of risk or other provisions in these Delivery Terms, ownership of the product shall not be transferred to the customer until the agreed price has been furnished in full. All materials or items (goods subject to reservation of ownership) employed by us remain our property until such time as all the receivables (including all receivable balances from current accounts) to which – irrespective of the legal basis – we are entitled now or in the future from the customer and/or his group companies have been furnished in full.

8.2. In the event of a breach of contract on the part of the customer, particularly payment default, we are entitled to retrieve a delivered item without granting a period of grace or, if necessary, demand the

assignment of the customer's possession rights vis-à-vis third parties. The retrieval of an item on our part shall – insofar as the Consumer Credit Act does not apply – not constitute a withdrawal from the contract unless we have expressly declared our withdrawal in writing.

8.3. Processing and transformation of the goods subject to reservation of ownership – also by the customer – take place at all times on our behalf as manufacturer, without such processing or transformation giving rise to any claims against us on the part of the customer. In the event of the goods subject to reservation of ownership being treated, mixed or blended with goods which are owned by third parties, we shall acquire co-ownership of the resultant products at the ratio of the invoice value of the reserved goods to the invoice value of the goods owned by third parties. In the event of the reserved goods being blended or mixed with a principal product of the customer, it is hereby considered agreed that the customer shall transfer to us co-ownership of the new product at the ratio of the invoice value of the reserved goods to the invoice value of the new product. In the event of seizures or other interventions by third parties, the customer shall notify us immediately so that we can initiate legal third-party proceedings in accordance with §771 Code of Civil Procedure. The customer is liable for any costs occasioned by him not observing this duty of notification.

8.4. The customer is entitled to sell the goods subject to reservation of ownership during the normal course of business or to process or blend the same with goods of a different origin. However, the customer is obliged to keep any proceeds thus received for us and must furthermore keep the money separate from his own assets and those of third parties. The above, however, does not apply if and insofar as the non-assignment of the purchase-price claim has been agreed between the customer and his own customers. The customer is not entitled to enter into pledges, assignments as security or any other encumbrances. In the event of resale, the customer shall make the transfer of title contingent upon full payment of the goods by his own customers.

8.5. The customer assigns to us in advance by way of security the full extent of all the claims arising from a resale of the goods subject to reservation of ownership, including all subsidiary and security rights, receivable balances from current accounts, bills of exchange and cheques. In the event that the goods subject to reservation of ownership are sold in conjunction with other items for an overall price, the assignment shall be restricted to the pro-rata amount of our invoices for the reserved goods included in the sale.

8.6. The customer is entitled to personally collect the receivables arising from resale or processing. This shall have no effect upon our entitlement to collect such receivables ourselves. However, we engage to refrain from collecting such receivables as long as the customer fulfils his payment obligations arising from the proceeds which have been received, does not default on payment and, in particular, no application for the initiation of bankruptcy proceedings has been submitted or the initiation of such proceedings has not been refused on the grounds of insufficient assets. Should the customer's collection authorisation have expired he shall, at our request, inform us of the assigned receivables and his debtors, furnish us with all the information necessary for collection purposes, surrender the accompanying documents and notify the debtors of the assignment.

We engage at the request and choice of the customer to release the securities to which we are entitled with immediate effect to the extent that the realisable value of the securities exceeds the obligations to be secured.

9. Applicable law – place of jurisdiction – non-assignment

9.1. The substantive and procedural laws of the Federal Republic of Germany under exclusion of the conflict-of-law rules shall apply to these Delivery Terms and to all legal relations between ourselves and the customer. Application of the "UN Convention for the International Purchase of Goods (CISG)" is excluded.

9.2. The sole place of jurisdiction is Cologne for any disputes arising from this contract between us and the customer as a businessman, a legal entity under public law or special assets under public law. This does not apply in as far as the disputed claim concerns non-pecuniary rights which are assigned to the municipal courts independent of the subject matter of the dispute or if an exclusive place of jurisdiction applies. We reserve the right to take legal action or to instigate other prosecution proceedings at the customer's place of jurisdiction.

9.3. Any rights arising from this agreement are non-assignable and/or non-transferable unless expressly agreed otherwise.

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