

GENERAL PURCHASING TERMS & CONDITIONS

I. General Provisions, Scope, Application

1. These Purchasing Terms & Conditions (Conditions) form an integral part of all (future) contracts on the delivery of goods or the provision of services between the Contractor of goods or the service provider, respectively, (hereinafter "Contractor") and Zapp AG or its affiliated companies located in Europe, respectively (hereinafter "Buyer"). The Conditions in the respective current version (which may be viewed at www.zapp.com, shall apply exclusively; Contractor's conditions opposed to or diverging from these Conditions will not be acknowledged unless otherwise declared by the Buyer in writing. In addition, the Buyer's Conditions shall apply in case we, however aware of the opposed or diverging conditions of the Contractor, accepts the delivery not expressly objecting the Contractor's Conditions. Any performance of the Buyer's orders shall be deemed as acceptance of our Conditions.

2. Any agreements relating to deliveries and services of the Contractor shall be binding only if and insofar as concluded in writing. Verbal Agreements – including subsequent amendments and additions to these Conditions – must be confirmed in writing by the Buyer to become valid.

3. Any supplies of units, machinery and equipment shall be subject to the Buyer's Supplemental Purchasing Conditions for units, machinery and equipment; the latter shall apply senior to these Conditions.

4. These Conditions shall also apply to all the Buyer's future orders.

5. Unless the Buyer has given his prior written consent, the Contractor may not disclose his business relations to the Buyer in any promotion material/advertising material.

II. Offer, Offer Documentation

1. As far as applicable to the particular subject matter of the offer, integral part of the Buyer's order resp. the proposal of the Contractor will be our Quality Management Guideline, Supply Specification Raw Material, our RM-Data Sheets; the Buyer will supply such documentation to the Contractor upon application. The aforementioned specifications reflect the contractual condition of the products agreed upon.

2. As far as the delivery item – partly or as a whole – is subject of a licensing requirement (e.g. with regard to radiation protection), such licensing requirement has to be indicated to the Buyer and the Buyer's safety specialist has to be involved in the order transaction.

3. For the period of their validity, cost estimates shall form a binding basis for resultant orders. They shall not be remunerated unless expressly agreed otherwise.

4. Unless the Contractor accepts the Buyer's order in writing within ten days, the Buyer may, subject to his sole discretion, revoke such order.

5. Any title and copyright regarding images, drawings, calculations, Supply Specification Raw Material, RM-Data Sheets and other contractual documentation, as well as all information contained therein, shall remain with the Buyer at any time. Unless consented by the Buyer in writing, the aforementioned documentation may not be disclosed to third parties and shall be used only for the performance of the Buyer's orders. Upon execution of our orders, such documentation shall be automatically returned to the Buyer without being requested; subject to Clause XV, No. 5, any documentation is to be kept strictly confidential vis-à-vis third parties.

6. The Buyer may request the Contractor to change/amend the product according to his needs unless this would appear unreasonable. Changes/amendments of the product will entitle the Contractor to a higher purchase price only in case the Contractor had issued an estimate of costs and our Corporate Purchasing Management had agreed to such estimate.

III. Prices, Calculation of Prices, Costs for Packaging

1. The prices agreed upon shall be regarded as a fixed price; any supplementary claims whatsoever shall be excluded. Unless otherwise agreed upon in writing, the price agreed upon includes deliveries DDP (including packaging, transport, duties, customs clearance). In case of a purchase "ex railway station", the costs for the transport of the product to the railway station will be to the Contractor's account, the costs of the rail freight to the Buyer's account.

2. Unless otherwise expressly agreed upon, packaging costs will be to the expense of the Contractor. Without prejudice to statutory obligations, and unless otherwise agreed, packaging material shall not be returned to the Contractor.

3. Travel allowances for installation work will be limited to the statutory extent according to the relevant fiscal provisions and regulations. Overtime premiums will be paid only in case of prior written agreement. 4. Remunerations for visits and for the preparation of offers, projects, planning, etc. are excluded.

IV. Issuance of Invoices, Payments, Set-Off

1. Invoices shall be issued separately and shall not be attached to the product. Any invoices not complying with the specifications of the Buyer's order, in particular not referring to the Buyer's order number, will be rejected. In such case, any liability for the nonperformance of the corresponding payment obligation shall be excluded.

2. Unless agreed otherwise the payment period shall commence as soon as an invoice, which meets the applicable value-added tax requirements, has been received at the billing address. In the case of self-billing, the payment period commences the day the credit memo is issued. Payment will be made subject to verification of the delivery / service provided. Down payments and advance payments are carried out under the condition that the amount, quality and price of the delivery corresponds to the terms of the contract. Such condition shall also apply to advance payments effected under discount.

3. Any payments shall be subject to the terms of payment in the Buyer's order.

4. Subject to the statutory extent, the Buyer shall be entitled to set-off with his claims or with claims of the ZAPP Group, Ratingen, against the Contractor's.

5. C.O.D. (Cash on delivery) will not be accepted. The Buyer assumes no liability for unsolicited product. The acceptance of unsolicited products shall not constitute any contractual obligations.

V. Dates of Delivery

1. All dates of delivery shall be binding to the Contractor.

2. The Contractor's Performance only counts as having been completely fulfilled when also all necessary plans, drawings, certificates and other documents agreed in the order have been delivered.

3. In case the Contractor become aware of his incapacity to comply with a date of delivery, he shall immediately inform the Buyer of the anticipated delay in writing by giving the reasons for the delay.

4. Any case of force majeure, hold-ups, strikes, lock-outs, breaches of contract of the Buyer's customers or other incidents outside his responsibility shall, for its duration and in subjects to its impact, relieve the Buyer from his contractual obligations, at most for a period of three months. The same shall apply should the aforementioned incidents arise at a time when the Buyer has exceeded the agreed time of performance agreed upon. In such a case, the Contractor shall replace the contractual provisions in question by provisions which duly reflect the modified circumstances unless this would appear unreasonable.

5. Unreserved acceptance of the delayed supplies/services may not be construed as relinquishment of any compensation to which Buyer is entitled; this shall apply until full payment of the fee owed by Buyer for the supply/services concerned has been made.

VI. Dispatch, Documents of Dispatch

1. Unless a special mode of dispatch has been requested by the Buyer, he shall bear the lowest possible dispatch rates only. Deliveries can be effected from Monday through Friday during normal trading hours. No discharge/unloading on weekends.

2. Freight rates will not be paid cash to the bearer, but only by bank transfer upon presentation of the freight invoice.

3. The documentation of dispatch shall be issued in accordance with the Buyer's Supply Specification Raw Material. In case the documentation is not in compliance with the Buyer's specifications, all costs resulting thereof, in particular demurrage, conversion fees etc., will be to the expense of the Contractor.

4. Any notice of delivery, conforming to the Buyer's Supply Specification Raw Material, shall be issued in duplicate at the latest three days before dispatch.

5. Excess deliveries, short deliveries or partial deliveries will be accepted only in case of prior agreement thereto.

6. If weighing is necessary, the weight determined on the calibrated scales of Buyer shall apply.

7. Unless otherwise agreed, postal deliveries or deliveries of similar service providers shall be dispatched "ex works"; postage costs shall be prepaid and included in the sales-invoice.

VII. Passing of Risks

The Buyer shall not bear the risks of accidental loss and accidental deterioration until the product is passed to the Buyer or until the service is accepted by the Buyer.

VIII. Termination

1. Even in the event that the contract is not a work and services contract, Buyer is entitled to terminate same in full or in part. In such event, Buyer is obligated – provided that the supplies/services have been duly executed – to pay for all such supplies/services completed up to then and make appropriate payment for material procured and work/services performed; in this case Sec. 649, 2nd half of sentence 2 BGB (German Civil Code) shall additionally apply. Further claims of Contractor are excluded.

2. Buyer is also entitled to terminate the contract if court insolvency proceedings are instigated in respect of the assets of Contractor or if Contractor ceases payment. The same shall apply if Contractor does not meet the claims of his Contractors. Purchaser has the right to acquire material and/or semi-finished products including any special equipment on reasonable terms and conditions.

IX. Defects of the Delivery

1. The Contractor shall be liable for any delivery or service not corresponding to the contractual application intended by the parties, the state of the art, the applicable legal provisions or the provisions and regulations of public authorities, associations and industrial unions. The Contractor shall also be liable for any defect, including legal defects pursuant to Art. 434, 435 BGB (German Civil Code). Unless otherwise declared by the Buyer in writing, inevitable divergences from the aforementioned provisions will not be accepted. Any consent to inevitable divergences shall not reduce the Contractor's liability for defects. Should the Contractor deem the particular specific cation required by the Buyer inappropriate, he shall immediately inform us thereof. Any deliveries/services, including deliveries or services of sub-contractors of the Contractor shall be, within the realm of technical and commercial possibility, subject to environment-friendly products and methods. The Contractor shall provide for environmental compatibility of his deliveries and shall be liable for any consequential damages resulting of his failure to comply with statutory disposal obligations. Moreover, for each delivery, the Contractor shall present the Buyer the relevant product safety data sheet. The Contractor shall defend and indemnify the Buyer from any and all third parties' claims resulting of his failure to present him, or to present him without delay, the relevant safety data sheets. The same shall apply to all amendments/alterations of the product safety data sheets.

2. Without prejudice to the Contractor's liability for the defective product, the Buyer may, subject to our obligation to mitigate losses, remedy minor defects without prior coordination with the Contractor. In such case, the Buyer may demand reimbursement of his expenses. The same applies should our instantaneous intervention be necessary to avoid exorbitant damages. In case of Buyer own customer's claims resulting of the delivery of defective product, the Buyer may demand reimbursement from the Contractor for any costs arising out of and in connection with his

obligation to remedy the defective product. Unless otherwise agreed upon any contractual claims shall fall under the warranty obligations within a period of two years. Such period will begin with at the point of time when the product is passed to the Buyer or to a third party nominated by him at the place of delivery/application specified by the Buyer. In the case of appliances, machines and installations, the warranty period shall begin at the date of acceptance specified in our written minutes of acceptance. Should the acceptance be delayed for reasons not attributable to the Contractor, the warranty period shall begin with the allocation of the product for the purpose of acceptance. The warranty period for claims resulting from defective constructional works or defective construction material shall be the statutory warranty period; the warranty period for replacement parts shall be two years upon assembly/start-up, such period will end at the latest four years after delivery. During negotiations having as subject the Buyer's entitlement to claims regarding the delivery of defective installations, the warranty period for such installations is suspended from the notice of disturbance/breakdown until the end of the negotiations. The warranty period for repaired or replaced parts shall begin at the end of the negotiations or, if agreed upon, with formal acceptance of the parts. Any formal acceptance is subject to a written application of the Contractor. In case of claims against the Buyer having as subject defects of goods produced of the Contractor's products, provided that these defects result of defects of the products, the Buyer own claims against the Contractor shall be time-barred at the earliest two months after the date on which the Buyer has satisfied his customer's claims. This suspension of expiration of the warranty period ends at the latest three years after the time when our Contractor delivered the product to the Buyer.

5. In the event of defects of title, Contractor shall hold Purchaser harmless from any claims arising from third parties.

X. Product Liability, Release from Liability, Quality Assurance

1. If and insofar as the Contractor is liable for product damages, the Contractor shall, upon request, release the Buyer from any third parties' claims for damages which originate of his domain and for which the Contractor himself is liable.

2. In this context, the Contractor shall also, pursuant to §§ 683, 670 BGB (German Civil Code), reimburse the Buyer for any and all costs resulting of or in connection with product call-backs carried out by him or by his customers. The Buyer will – as far as this is possible and reasonable – inform the Contractor of the content and extent of the product call-back and will ask the Contractor for his comments.

3. The Contractor shall provide for a state-of-the-art system for quality assurance which is appropriate in type and volume; he shall demonstrate such system upon the Buyer's request. If and insofar as this is deemed appropriate by the Buyer, the Contractor shall enter into a quality agreement with the Buyer. Moreover, the Contractor shall provide for adequate insurance cover for any risks of possible product liability, including the risk of having to call-back certain products; upon our demand, the Contractor shall allow the Buyer to review his insurance policy.

XI. Testing and Inspection in the Course of Contract Fulfillment

1. The Buyer shall be entitled to carry out any inspections at any time during the performance of the contract by the Contractor. For this express purpose the Buyer is authorized to enter the Contractor's works and visit the installations and facilities relevant for the performance of the contract during the Contractor's usual business hours after giving prior notice. The Contractor and the Buyer shall each bear their own costs incurred in conducting any such inspections.

2. Such inspections shall not constitute a waiver of any contractual or legal rights of the Buyer.

XII. Use of Subcontractors

Third parties (in particular any subcontractors) may only be employed or replaced by the Contractor with the Buyer's prior written consent. If the Contractor intends to use subcontractors to perform the contract from the outset, the Contractor must inform the Buyer of this when submitting its offer.

XIII. German Minimum Wages Act (MiLoG)

1. Where the Contractor and/or its subcontractors and/or employment agencies used by the Contractor or subcontractors come within the scope of the German Minimum Wages Act (MiLoG), the following provisions shall apply: The Contractor guarantees that it complies with the provisions of the current version of the MiLoG. Moreover, the Contractor undertakes to use only subcontractors or employment agencies that have provided to the Contractor a guarantee to an identical extent in writing and, moreover, have undertaken in writing that they will demand such assurance guarantees from other subcontractors or employment agencies as may be engaged.

2. The Contractor shall indemnify the Buyer now against claims any employee of the Contractor or of a subcontractor, regardless of level, or a employment agency used, in accordance with section 13 MiLoG in conjunction with section 14 AEntG, may bring forward towards the Buyer as the guarantor of payment of the minimum wage. The right of indemnity shall mature as soon as any of the aforementioned claims is brought against the Buyer. The Buyer is entitled to terminate a Contract without notice if and when the Buyer is made liable as guarantor according to section 13 MiLoG in conjunction with section 14 AEntG due to the installation services hereunder.

3. Moreover, the Contractor shall accept liability vis-à-vis the Buyer for any damage that may be suffered by the Buyer through failure to meet the above-mentioned guarantee of the Contractor. Upon request at any time the Contractor shall submit to the Buyer working hours lists (including previous lists), the wage accounting based thereon and verification of the proper deduction of the employer's contribution to social insurance.

XIV. Industrial & Intellectual Property Rights

1. The Contractor represents and warrants that no third party's industrial & intellectual property rights will be affected by – or in connection with – the delivery.

2. The Contractor warrants that no delivery will be subject to third party's or person's industrial property rights and that the use and delivery of the product will not infringe patents, licenses or other industrial property rights or applications for a patent of any third parties. The Contractor shall release the Buyer and his customers from any third parties' claims based on possible violation or infringement of industrial property rights. The Buyer shall be entitled to secure the right of utilization of the delivered products and services in question from the party or parties owning the property rights at the expense of the Contractor.

3. The obligation of the Contractor to release the Buyer from third parties' claims is relevant to any and all necessary expenditures resulting of or in connection with the third parties' claims.

XV. Retention of Title; Provision of Material, Tools, Confidentiality

1. Any retention of title shall be valid only until the Buyer has settled the invoice for the product/service in question. Contractor's terms covering any extended forms of retention of title shall not apply even if the Buyer has not expressly objected to such terms.

2. Should the Buyer provide the Contractor with material, the Buyer reserves the property of such material. With regard to processing or manufacturing of the Buyer's material, the Buyer shall be deemed to be manufacturer. Should the Contractor process or combine or mix the Buyer's material with other goods not in the Buyer's property, the Buyer shall obtain co-ownership of the new goods in proportion of our material to the other goods at the time of the processing/combining/mixing. Should the Buyer's material be processed/combined/mixed with the Contractor's goods in such a way that the Contractor's goods are considered as principle component, the Contractor shall proportionally transfer the property of the new goods to the Buyer and keep them in safe for the Buyer.

3. The Buyer reserves the property of any tools confined to the Contractor; the Contractor shall apply such tools exclusively for the production of products ordered by the Buyer. The Contractor shall, at his own expense, insure these tools at their replacement value against fire, water and theft, and shall, where required, attend and inspect the tools from time to time. If the Contractor, deliberately or by negligence, default to immediately inform the Buyer of any disturbances and break-downs, the Buyer may claim damages from the Contractor.

4. The Contractor shall keep the Buyer's images, drawings, calculations, Quality Management Guideline for Contractors, Supply Specification Raw Material, RM-Data Sheets and any other contractual documentation and/or information relevant to the Buyer's order strictly confidential. Unless the Buyer has given his prior written consent, the aforementioned documents/information may not be disclosed to third parties or persons. The Contractor's shall continue to keep the aforementioned documents/information confidential after fulfillment of the contractual obligations; this obligation shall expire if and insofar as the know-how contained therein has, through no fault of the Contractor, become known to the general public. Should one of the parties become aware that confidential information has become accessible to non-authorized third parties or confidential documentation has been lost, he shall immediately inform the other party thereof.

XVI. Written Communication

Any written communication relating to the performance of the Buyer's order shall be addressed to our Corporate Purchasing Management who has given the order. Divergences from the original contract/order – e.g. regarding the price, invoicing, payment conditions, terms of delivery etc. – indicated in dispatch notes, delivery notes and invoices will not be accepted since such documentation is not handled by our Corporate Purchase Management. The Contractor shall not use dispatch notes, delivery notes and invoices for general communication.

XVII. Miscellaneous

1. In case of Contractor's cessation of payments, the appointment of an insolvency administrator, the inauguration of insolvency proceedings on Contractor's assets or acts of protest regarding a bill or cheque of the Contractor, the Buyer may, without becoming subject to claims of the Contractor, entirely or partially withdraw from the contract.

2. Rights and obligations arising from the contract may only be transferred to third parties in case of the Buyer's prior written consent.

3. The contractual language is German. In case of multi-lingual contractual documentation, the contractual documentation in German shall apply.

4. The place of fulfillment for deliveries or services of the Contractor shall be the reception work. The place of jurisdiction shall be at the seat/place of business of the Buyer or – subject to our discretion – at the Contractor's place of general jurisdiction.

5. All legal relationships between the Buyer and the Contractor shall be governed by the laws of the Federal Republic of Germany, excluding the provisions of international private law. The provisions of the United Nations Convention on Contracts for the International Sale of Goods of 11 April 1980 (CISG), and any other international conventions regarding sales contracts or contracts for services, notwithstanding their transmission to national German law, shall be excluded.

6. On our request, the Contractor shall provide the Buyer free of charge with a Supplier's declaration pursuant to the EC-regulation in question.

7. If one or more provisions of these conditions are or become invalid or void, the validity of these conditions shall not thereby be affected. The Parties are obliged to replace any invalid or void provision with a valid provision which comes closest to what had been intended with respect to the purpose under the invalid or void provision.

As of: May 2016