

GENERAL TERMS OF PURCHASE

As far as not other terms have been agreed individually, the Purchasing Terms stated hereinunder shall be decisive for all of the contractor's labour and materials, for purchases from companies, from legal entities of a statutory company or where statutory fund assets are involved. Our purchasing terms also apply for all future transactions with the Supplier.

1. Generalities

1.1 Our Purchasing Terms apply exclusively; general terms and conditions of the Supplier conflicting with or deviating from our Purchasing Terms are only recognized insofar as we have given our explicit consent in written form. Our Purchasing Terms also apply if we complete or pay the delivery/service without reservation in spite of knowledge of conditions of the Supplier which conflict with or deviate from our Purchasing Terms.

1.2 Only orders issued in written are legally binding. Unless explicitly agreed otherwise in writing, orders given orally or by telephone shall require a subsequent written confirmation of the purchasing department for their legal validity. Orders sent by fax or e-mail are equal to orders issued in written. The above shall also apply for all agreements made between us and the Supplier in order to carry out the order. Our order number as well as our vendor number must be quoted in the entire correspondence and especially on invoices and shipping documents.

1.3 Our Purchasing Terms also apply for all future transactions with the Supplier in so far as the contracts are similar; in case of orders to be delivered on demand, these apply to every request for delivery.

1.4 Our orders are binding. The Supplier has to accept the order within 14 days. Release orders within the framework of an order and release order plan shall become binding if the Supplier does not protest within 2 working days after receipt. Binding release orders must be accomplished in written form, by fax or e-mail.

1.5 The Supplier has to treat the conclusion of the contract strictly confidential. He may only point out business relations with us in advertising materials and reference lists after receipt of our written approval.

1.6 We do not grant remuneration or reimbursements for visits or the preparation of offers, cost estimates or projects.

2. Scope and completion

2.1 The Supplier shall provide his services in accordance to the contract. This scope of goods and services includes forwarding of the related documentation - if present - including test certificates, reports, programmes and operating instructions. If complete components or subassemblies were ordered, complete components or subassemblies must be delivered. They must comprise all parts necessary to faultless operation while achieving the guaranteed data as well as while complying with the agreed quality also if the necessary piece parts are not indicated in the order.

2.2 All goods must especially be marked to ensure durably traceability to the place of origin (e.g. after painting duly legible marking on welding subassemblies). Unless otherwise indicated, the type

of marking will be stated in agreement between Ruthmann and the Supplier.

2.3 The Supplier is obliged to provide at his risk and expense all necessary auxiliaries (machines, appliances, scaffolds, cranes etc.) to perform the contract. To the extent that we put such auxiliaries at disposal in individual cases, this is done at the sole risk and expense of the Supplier.

2.4 The engagement of a subcontractor or the transfer of our order to third parties on the part of the Supplier always require our prior written consent which we reserve for ourselves for each individual case.

3. Technical documentation Industrial property rights

3.1 Documents and models of all types which we make available to the Supplier (samples, drawings, data medium, winds, models, forging dies and casting moulds or similar) remain in our ownership and may not be used for other purposes or made accessible to third parties. They shall be returned unsolicited to us as soon as they are no longer required for completion of the contract or if the contract was not concluded.

3.2 Documents made available by us must be checked by the Supplier for completeness and dimension-related accuracy as well as for correctness and functionality prior to confirmation of order and prior to start of production. If necessary they must be corrected after consultation with us. The Supplier must immediately ask for possible missing samples, drawings etc.

3.3 All documents and manufacturing equipments must all sufficiently be ensured by the Supplier, so long as they are in its possession, against loss and damage at its expense.

3.4 Manufacturing equipments produced by the Supplier according to our indications or documents (e.g. winds, forging dies, matrix, models, tools, forms, welding patterns, computer programs etc.) may only be used by the Supplier for completion of our contracts. They may not be used by the Supplier solely for its own purposes nor be offered or be made accessible to third parties. Before beginning the production of the manufacturing equipments all drawings must be discussed with us. If manufacturing equipment or tools are produced or developed by the supplier at our request and our cost, such equipment or tools shall be released to us and proprietorship transferred to us upon conclusion of the contract. If the supplier possesses commercial protective rights or copyrights regarding such manufacturing equipment or tools, particularly regarding software and IT programs, the supplier hereby agrees to transfer to us technical documents such as drawings, plans and calculations as well as source codes, where applicable, and the native file formats and grants to us the exclusive, locally unlimited, transferable right including sublicensing, to use, modify, translate and edit or

otherwise reconfigure such manufacturing equipment or tools in the original or in modified, translated, edited or revised form, or to allow use by third parties or operation by clients, for our own purposes as well as for provision of goods and services for others

3.5 The warranty obligations of the Supplier regarding to the supplying good shall remain unaffected by our agreement to drawings, calculations or other technical documents. This is also valid for our proposals and recommendations unless explicitly agreed otherwise.

3.6 After performance of delivery/service, the Supplier is required to send us the corresponding drawings, calculations and other technical documents relating to the supplying good as files and in the required number in German language (written / paper form) according to common DIN-form. These documents shall be updated as soon as any subsequent changes have been made at the supplying good.

3.7 As far as such documents will be recorded by using European industrial standards, then all documents must correspond to the international SI standard system, to the existent German standards as well as to our factory standards and shall be provided to us in electronic form, preferably in PDF format. The Supplier is obliged to transfer ownership of these documents to us. If such documents are subject to commercial protective rights or copyrights belonging to the supplier, the supplier hereby grants us comprehensive and gratuitous rights of use pursuant to Clause 3.4 Sentence 5.

3.8 The documents furnished by the Supplier are sufficient for mounting parts to be procured according to lists and catalogues to the extent that we require these documents for repairs and/or new procurements.

3.9 If the Supplier deviates from the production documents approved by us without previously agreeing it with us, then he is liable for all our damages or costs resp. or those of third parties which arise from this including costs for determining such damages insofar as he is responsible for this. In particular this includes also costs for examinations, expert opinions, additional calculations, reprocessing, spare-parts delivery etc.

4. Prices, shipping and packaging

4.1 Insofar as not explicitly agreed otherwise, the agreed prices are lump-sum fixed prices plus applicable turnover or other taxes.

4.2 Unless explicitly agreed otherwise, the freight, shipping and packaging costs are included in the price. Insofar as we bear the freight charges upon express written agreement, this shall only apply to cheapest transport. By bearing the packaging costs, we shall be entitled to re-turn packages, which are in a good condition, to the Supplier carriage paid against refund of 2/3 of the value stipulated for this in the invoice. The obligation to respect the delivery date shall remain unaffected by the bearing of costs.

4.3 If no binding prices were agreed, then the last paid prices for such a service are valid. If the actual list price quoted by the Supplier is lower than the last paid price, then the list price current at that time applies. The payment has to be effected according to Number 5. The pricing shall in any way remain unaffected by the agreement on the place of performance.

4.4 Our order number and order date must exactly be indicated on the confirmation of order, on the invoice, on the delivery note and in the correspondence. The Supplier is responsible for delays and/or damages arising out of any breach of this obligation.

4.5 The Supplier shall bear the risk of shipping. The Supplier shall continue to bear the risk of deterioration or accidental destruction until delivery has been made to the agreed address of delivery or the place of use. All deliveries shall be made to the DDP agreed and nominated place of delivery (Incoterms 2010) unless explicitly agreed otherwise. If an acceptance is necessary for complete performance of the contractual obligations, the passing of risk is ruled by Number 7.7.

5. Issuing of invoice and payment

5.1 All invoices shall be sent separately to us in duplicate at the same time of dispatch of the goods.

5.2 Unless explicitly agreed otherwise, the payment sum falls due within 14 days after receipt of goods and invoice less 3% discount or 60 days net. If the Supplier grants higher discounts or extended payments terms while the discount remains, then these shall be deemed agreed. If any prepayments have been agreed, an interest rate of 5% for these is payable by the Supplier until the passing of risk. The interest claim can be set off against the payment claim of the Supplier. If the agreed prepayment is higher than € 10.000,00, the Supplier puts in advance at disposal a direct, all-charges-paid, unconditional and unlimited term bank guarantee (payable on first demand) from a large German Bank. We are obliged to give back the bank guarantee immediately after transfer of risk (acceptance or delivery).

5.3 Each payment will be made subject to inspection of the invoice. Ownership of all materials or tools resp., constructions, systems, machines etc. shall fully be transferred to us by paying the total amount.

6. Terms of delivery, delayed delivery, contractual penalties

6.1 A delivery note shall be enclosed to every shipment.

6.2 The agreed delivery deadlines are binding. Decisive for the observance of the delivery date or delivery period, is the receipt of the goods/service at the place of receipt and/or use indicated by us. Without a further reminder being required, the exceeding of a binding delivery or acceptance deadline shall constitute a default of the Supplier unless we agreed with a later service in written form.

6.3 In the event of delayed delivery we shall be entitled to lump-sum contract penalties in the amount of 1% of the delivery value for each completed week, however not more than 5%. We reserve all rights to further legally claims (cancellation of contract and compensation for damages). The supplier retains the right to prove that we have not suffered any damages as a result of said delay, or that the damages incurred are substantially lower.

6.4 If an agreed deadline is not met by the Supplier, we shall be entitled to withdraw from the contract at the end of a reasonable period set by us for performance

or supplementary performance. In case the Supplier is responsible for the delay in performance, we shall furthermore be entitled to claim damages instead of performance.

6.5 The Supplier is also in default, if the delay in performance depends on the absence of necessary documents we must supply unless he has demanded the documents in writing and has not received them within a reasonable time.

6.6 Force majeure and industrial disputes free the contracting parties from their contractual obligations for the duration of the interference and to the extent of its effects. The contracting parties are committed to give each other the necessary information which may reasonably be expected without delay, and to adjust their obligations in good faith to the changed circumstances.

6.7 Shipments made before the agreed date may be returned for account of the Supplier. If there is no return shipment in case of premature delivery, so the goods are stored by us at the Supplier's expense and risk until the scheduled delivery date. In this case we shall be entitled to put the agreed delivery date as the date on the invoice.

6.8 Part-deliveries are only accepted following explicit agreement. In the case of agreed part-deliveries, the remaining quantity is to be indicated.

6.9 Excess or short deliveries are only allowed with our express written authorisation.

6.10 If the delivery is carried out under guarantee of the reserved right of ownership, this guarantee of the reserved right of ownership of the delivered goods shall be deemed simple until all due payments have been made. At any rate, all forms of amplified and/or extended reservation of ownership are not part of the contract.

7. Acceptance

7.1 If the service required to undergo acceptance, the acceptance date will be established jointly and bindingly. For this purpose the supplier shall, within due time, recommend to us suitable deadlines, by which the supplier can guarantee compliance with the agreed delivery date.

7.2 The supplier shall bear any and all costs for material, expenses and personnel resulting for us from acceptance at the supplier's, unless agreed otherwise in writing between the parties. The necessary measuring instruments necessary for performance demonstration as well as mounting and dismounting are part of the scope of services.

7.3 If the proof has been supplied by the Supplier that the agreed performance and guarantee data are reached, the acceptance will be confirmed in the acceptance certificate.

7.4 If the acceptance test shows that the goods or services resp. are not produced or provided as per contract, the contractor will be given a reasonable period of time for correct compliance after which a new acceptance test will be carried out.

7.5 If defects are established during acceptance, which do not affect the function of the goods or services resp., the acceptance can follow with the reservation that the defect will be expediently corrected. A reasonable amount will be withheld from the agreed residual payment until elimination of the defects.

7.6 The risk passes to us with completion of the acceptance (material receiving control at place of use).

7.7 If authorisations of any kind are necessary for the delivered goods or for their operation, the Supplier must obtain such authorisation until the agreed acceptance date. If such an authorization is not available at the time of acceptance, the acceptance can follow with the reservation that the authorization will be obtained. If the authorisation is not granted or deferred the Supplier shall bear all costs resulting from this.

8. Warranty

8.1 The supplier shall be obligated to allow access for our employees to the supplier's business premises during usual business hours, to provide such employees with all documents required for quality control and to provide proper support for such efforts.

8.2 The specifications indicated by our customer apply for the quality of the goods to be delivered. We make available for the Supplier all specifications or modifications of specifications together with our order, apart from that immediately upon receipt. The receipt has to be confirmed in written form.

8.3 If the supplier has any reservations against the type of execution desired by us, he must immediately notify us in written form.

8.4 We shall notify the Supplier immediately in writing of obvious defects to the delivery/service as soon as they are determined according to the conditions of a proper business flow.

8.5 If there are reasonable indications for a defect of the goods, we shall be entitled to undertake further investigations or call for examination at Supplier's expense, especially to assign an employee or an external expert with the assessment of the goods. Herewith the Supplier exempts us from all the costs resulting from such measures regardless of the result of this investigation. We are entitled to set off such costs against payment claims of the Supplier.

8.6 Claims for defects - on any legal grounds whatsoever - shall become time-barred 26 months after delivery or acceptance. Longer contractual or statutory periods of limitation shall remain unaffected thereby.

8.7 In warranty case we reserve the right to choose the type of supplementary performance (elimination of defect or delivery of a non-defective good). If the Supplier fails to fulfil its warranty obligations within a reasonable period of time set by us, then we may implement the necessary measures ourselves or have these implemented by third parties at the Supplier's expense and risk without prejudice to its warranty obligation. Should the Supplier not commence remedying the defect immediately upon receiving our demand, we are entitled to remedy the defect ourselves at the Supplier's expense or to have the defect remedied by third parties, particularly in

emergency cases, to avert acute danger and/or to avoid major damage.

8.8 If the supplier replaces the defective goods, a new limitation period commences at the time the replacement goods are delivered unless the Supplier has expressly and rightfully reserved under the supplementary performance item that substitute delivery is only made as a fair dealing.

8.9 All documents required for acceptance, operation, maintenance and repairs, particularly test protocols, inspection reports, drawings, plans, operating instructions, repair handbooks, spare-parts lists etc. must be supplied by the Supplier free of charge in a reproducible form.

8.10 Supplier shall carry out a proper quality assurance in terms of type and scope and in compliance with the state of the art and shall submit evidence of such quality assurance to us. Number 7.8 shall remain unaffected.

8.11 For securing our requirements for supply, our warranty and other claims against the Supplier, we reserve the right to require at any time an appropriate guarantee in the form of an absolute and unlimited guarantee provided by a major German Bank. The Supplier bears the costs of such a guarantee.

8.12 Moreover the Supplier must be insured against all risks deriving from the product liability, including suitable cover for the recall risk and must on request present the insurance policy to us.

9. Product liability and recall

9.1 To the extent the Supplier is responsible for a product damage, he shall insofar be under the obligation to indemnify us upon first demand against any claims for damages by third parties as far as the reason lies within his range of command and organisation and as far as he shall be held liable himself in the legal relationship.

9.2 We shall be entitled to demand modifications to the object to be delivered within a reasonable scope, particularly when specifications dictated to us by our customers change. In such cases the effects, particularly in regard to increased or reduced costs as well as the delivery deadline, shall be agreed upon mutually in an appropriate manner.

9.3 The Supplier is obliged to enter a sufficient third party liability insurance and product liability insurance and to maintain this throughout the contract period including periods of limitation. If we are entitled to further claims, these shall remain unaffected. The Supplier shall provide us with copy of the valid insurance contract upon request.

9.4 apparent defects of the delivery / service will be reported to the supplier immediately in writing as soon as they have been determined according to the circumstances of a proper business procedure.

9.5 If justified evidence for deficiency of the goods appears, we shall be entitled to perform further tests at the cost of the supplier or to have such tests performed particularly by employees or external experts; if a defect or deficiency is present, the supplier shall bear all costs resulting from such action.

9.6 Defect claims—irrespective of the legal reason—shall expire 26 months after the delivery and/or acceptance has been effected. This shall not affect longer contractual or statutory limitation periods.

9.7 In each case of warranty we reserve the right to select the type of subsequent performance (remedy of the defect or delivery of defect-free goods). If the Supplier fails to fulfil its warranty obligations within the reasonable period set by us, we can—irrespective of the latter's warranty obligations—undertake the necessary measures ourselves at the Supplier's cost and risk or have these carried out by a third party. If the Supplier fails to remedy the defect promptly after our request for it to do, we shall in urgent cases, in particular to prevent critical risks and/or to avoid disproportionately high damages, have the right to rectify the defects ourselves at Supplier's cost or have this done by a third party.

9.8 If the Supplier fulfils its obligation for supplementary performance by means of replacement delivery, the limitation period for the goods delivered as a replacement shall begin anew after the delivery of these, unless the Supplier has expressly and appropriately reserved the right in respect of this subsequent performance to perform the replacement delivery as a gesture of goodwill.

9.9 The Supplier must also deliver all documents necessary for the acceptance, the operation, the maintenance and repair, such as test reports, inspection certificates, drawings, plans, operating instructions, repair handbooks, lists of replacement parts, etc. in reproducible form free of charge.

9.10 The Supplier shall carry out quality assurance of a suitable nature and scope corresponding to the current state of the art and prove this to us upon request; Section 7.8 remains unaffected.

9.11 To secure our delivery, warranty and other claims against the Supplier we reserve the *right* to demand appropriate security in the form of a directly enforceable and unlimited guarantee from a major German bank. The costs of such security shall be borne by the Supplier.

9.12 The latter shall in addition insure itself to an appropriate extent against all risks arising from product liability including the risk of recall and present the insurance policy for our inspection on request.

10. Product liability and recall

10.1 To the extent that the Supplier is responsible for product damage, it is obliged to release us from damage claims of third parties on first demand if the cause falls within the Supplier's domain and organisation and it is liable in the external relationship.

10.2 In this context the Supplier is also obliged to reimburse any expenses that arise from or in connection with any recall action we carry out. We shall notify the Supplier, as far as possible and reasonable, regarding the content and scope of the recall measures being carried out and shall give it the opportunity to comment. This shall not affect other legal claims.

10.3 The Supplier is obliged to conclude adequate business and product liability insurance and maintain

this during the term of the contract, including limitation periods. If we have any further damage compensation claims, these shall remain unaffected. The Supplier must present us with a duplicate copy of the valid insurance contract on request.

11. Property rights of third persons

11.1 The supplier guarantees that all deliveries are free from the protected rights of third parties, and that, in particular patents, licenses and other protective rights of third parties are not violated through the shipments and use of the delivered goods.

11.2 If claims are made against us by a third party for this reason, the supplier shall be obligated to discharge us from such claims upon initial written request

11.3 In the event of liability claims by a third party, the supplier shall retain the right to prove that the supplier is not responsible for violating the rights of the third party. We shall not be entitled to make any agreements with the third party, particularly to agree upon a settlement - without the consent of the supplier.

11.4 The obligation of the supplier to release us from liability includes all expenses resulting necessarily for us from or in context with the claims of the third party, unless the supplier is capable of proving that the supplier is not responsible for violation of said protective rights

11.5 If utilisation of the goods/services is impaired by protective rights existing for third parties, the supplier shall, at his own cost, either obtain the licences in question or modify or replace affected parts of the goods/services in such a manner that utilisation of the goods/services no longer violates the protective rights of the third party and simultaneously still fulfils the terms of the contract

12. Reservation of ownership, provision of tools

12.1 Insofar as we provide the Supplier with tools, we reserve the ownership of them. Processing or alteration by the Supplier will be undertaken on our behalf. If the reserved goods are processed together with other items that do not belong to us, then we acquire co-ownership of the new items in the ratio of the value of the items supplied to the other items that have been processed at that time.

12.2 If the item made available by us is inseparably connected and mixed with other objects not belonging to us, then we acquire co-ownership of the new item in proportion to the ratio of the value of the item subject to reservation of ownership to the other connected or mixed objects at the time of connection or mixture. In case the part in Supplier's property should be considered the main part after connection and mixture, it is agreed between the Supplier and us that the Supplier shall transfer a partial property. The Supplier shall preserve the sole ownership or co-ownership on our behalf.

12.3 If we provide the Supplier with tools and/or fixtures for the purpose of manufacturing and if the property shall pass to the Supplier, the ownership passes under fulfilment of the dissolving condition that the Supplier is in delay or that the contract will be withdrawn for any reasons before complete performance of the Supplier's obligations. In this case the ownership goes

back to us up to the performance of the condition without any further special explanations being required.

12.4 The Supplier is obliged to insure the provided tools at replacement value at his own expense against damage by fire, water and theft. He is also obliged to carry out necessary maintenance and repair works at his expense in due time. The Supplier shall notify us immediately of any faults; if Supplier culpably neglects to do so, then the Supplier is obliged to reimburse us with the sum of the damage resulting from the missing or delayed notification.

13. General clauses

13.1 Should individual clauses of these standard purchasing terms be or become ineffective, the legal effectiveness of the other clauses shall remain unaffected. The invalid clause shall be replaced with a clause which comes closest to the intention expressed between the contracting parties. This applies for a gap in these terms accordingly.

13.2 The Supplier is obliged to treat as a trade secret all details which are not obviously of commercial or technical nature and which he learns about in the course of the relationship. Supplier is also obliged not to disclose them to any third parties. He is also committed to obligate its sub-suppliers, its staff-members and employees.

13.3 The Supplier is especially obliged to treat all received illustrations, drawings, calculations and other information strictly confidential. They may only be disclosed to third parties with our explicit consent. The obligation to maintain secrecy shall also continue to apply after termination of the contract. It ceases, however, to apply as soon as and insofar as the production know-how contained in the illustrations, drawings, calculations and other documents becomes part of the public domain.

13.4 Without our previous consent, the Supplier has no right to assign claims against us. The permission may only be refused for good cause. § 354 a HGB shall thereof remain unaffected. - In case of several debts and owing by the Supplier regardless of the legal grounds we are entitled to set off these debts against claims for payment of the Supplier.

13.5 Unless explicitly agreed otherwise, the place of fulfilment of delivery obligations is our delivery address or place of use. Unless not otherwise provided in the confirmation of order, the place of fulfilment of all other obligations of both parties is our registered office of our company.

13.6 The pricing shall not in any way affect the agreement on the place of fulfilment.

13.7 For any dispute arising out of this contract, the legal venue shall be the location of our registered office. However we shall be entitled to sue the buyer at the court of his residence or of his registered office resp.

13.8 In addition only the authoritative law of the Federal Republic of Germany applies and where applicable the latest version of The United Nations Convention on Contract for International Sale of Goods (CISG) of 11th April 1980.

**Ruthmann GmbH & Co. KG,
Gescher-Hochmoor, November 2019**