

General Terms & Conditions of Purchase

1 General

- 1.1 To all our orders (purchase orders) with regard to deliveries and services of any kind, only the special conditions resulting from our order shall apply and secondarily to these the REINTJES Conditions of purchase.
- 1.2 Deviating provisions, especially sales conditions of the contractor (supplier) will only then become part of the contract if we have expressly accepted them in writing. This is also required even if we do not explicitly oppose them in the individual case or the contractor informs us that foreign provisions shall solely apply if confirmed.
- 1.3 Mutually agreed individual issues shall not affect the validity of the remaining provisions of our conditions of purchase.

2 Formation of contracts (order)

- 2.1 Orders are only considered as binding if they are made in text form. Oral or telephonic agreements require our written confirmation or a confirmation by means of uncontradicted acceptance of the performance. In the event of obvious errors there shall be no obligation on us. Orders already placed may be cancelled as long as the contractor has not confirmed the order in writing. If this is not provided, a contract only becomes effective after it has been completely fulfilled.
- 2.2 Should the contractor deviate from our order, in particular by referring to his/her Terms and Conditions, then the contractor must point that out; a contract then shall only be deemed to be concluded if we have given our approval to the deviation.

3 Deliveries and services

- 3.1 Decisive for the contents, type, and scope of the deliveries and services are our orders as well as the state of the art in science and technology. Already when requiring a delivery, the contractor shall be obliged to advise us whether his/her goods or services are suited for the purpose inquired by us and he/she has to inform us without delay about reasonable doubts. Drawings, specifications etc. which are part of an order are binding for the contractor. However, the contractor has to check these for possible discrepancies based on the state of the respective art in science and technology being relevant for his/her deliveries and services and the contractor has to inform us without delay and in writing about any undiscovered or suspected errors. The contractor solely remains responsible for the drawings, plans, and calculations he/she prepared, even if these were approved by us.
- 3.2 Insofar as a packing of the delivery items is necessary or usual, the contractor has to provide for sufficient packing.

4 Price

The prices stated by the contractor in offers, price list, or similar documents are in general fixed prices, unless variable price components have expressly been considered in contractual agreements. The prices shown include freight, carriage, packing, and transport insurance; otherwise an express agreement is required for taking over these costs. Should the contractor reduce his/her prices before performance then these prices shall be deemed to be agreed instead of the original prices.

5 Date of delivery

- 5.1 Purchased items have to be delivered to the place of performance or to a place specified by us (place of destination). The agreed delivery dates have to be strictly observed. The day of delivery is deemed to be the day on which the ordered delivery item and the associated delivery papers arrive in our factory. In the event that delivery dates are not met we shall be entitled to the statutory rights without limitation.
- 5.2 Should the contractor realize that he/she cannot meet the agreed delivery dates, in whole or in part, the contractor must inform us in writing accordingly and without delay – while providing reasons and presenting substantiating documents – of the cause and the duration of the delay. A new delivery date must always be agreed in writing.
- 5.3 In the event of a strike, lock-out, interruption of operations, or other circumstances for which we are not responsible, we shall be entitled to withdraw from the contract, in whole or in part, or to request a delivery and/or performance at a reasonable later date.
- 5.4 An earlier delivery requests our prior written consent. The same applies to partial deliveries.

6 Transfer of risk

- 6.1 Deliveries are made at the risk of the contractor. Risk shall only pass to us as soon as the goods are deposited at a place entitled to receive it.
- 6.2 Should we take over the freight or insurance costs then the aforementioned transfer of risk provision will not be altered.

7 Payment

- 7.1 Our payments shall be made on the 15th of the month following the delivery less 3 per cent discount or net within 90 days. We are free to select the means of payment. Payment by cash on delivery is excluded.

7.2 Payment shall not be deemed as recognition of a delivery free from defects. We are entitled to withhold payment, in whole or in part, until any defects have been removed. We are entitled to exercise this right of retention to all deliveries and services which the contractor provides during an ongoing business relationship and therefore, this right is not limited to the respective contract.

8 Means of production, property rights of third parties, developments

8.1 Drawings, models, dies, forming devices (in the following: means of production) which the contractor created are principally created by the contractor in our name. The items are our property and are deposited by the contractor in our name and on our order. The means of production – irrespective whether they are provided by us or created by the contractor – may neither be used for any other purpose than for fulfilling our orders, nor copied or made accessible to third parties without our prior express written consent.

8.2 The aforementioned means of production – in case they are our property – shall be kept appropriately and insured against possible risks like fire, water, and theft. After completion of our orders they have to be returned to us free of forwarding costs.

8.3 Material which we made available to the contractor for the fulfilment of orders remains our property; the process, restructuring or connection with other items which are not our property, is performed for us. A new item being produced with materials provided by us shall be stored by the contractor for us. In case processing, restructuring or connection has taken place with other items not belonging to the contractor, we are entitled to joint ownership of the newly produced item in the ratio of the value of the material provided, processed, restructured or connected by us to the value of the newly produced item. The contractor is not authorized to dispose of the material provided by us in any legal way. The contractor has to notify us without delay in case of seizures or other impairments of the material provided by us through third parties.

8.4 The contractor ensures that to his/her knowledge and in his/her opinion the object of the delivery is not subject to third party property rights at home and abroad. Besides the legal claims in case of a defect of title, the contractor shall be liable for all damages incurred by us due to the breach of such property rights through the object of the delivery and undertakes to release us from any claim by property right owners. This also applies to deliveries from third parties.

8.5 In the event that during the execution of the order knowledge is generated which might be protected by industrial property rights, we and the contractor are in general jointly entitled to the rights vested thereon. The exploitation shall be regulated by a separate agreement.

9 Warranty and duties to inspect

9.1 The contractor ensures the compliance of his/her deliveries and services with the provisions of the order, the provided and produced means of production, the advertisement of his/her goods or services as well as with the state of the art in science and technology. This includes the suitability for the intended purposes arising from the specifications, respectively the expressly mentioned purpose. Warranties with regard to certain durability's, e.g. machine running times, are considered as independent durability guarantees.

9.2 The contractor warrants the quality of his/her deliveries and services according to the statutory provisions. § 377 HGB (German Commercial Code) shall be excluded. We check the deliveries only for optical quality; a functional test is not carried out. Our notice of defects is considered as made in time if it is submitted within three working days after the defect was discovered.

9.3 We are entitled to request at our choice within the framework of the subsequent performance a free rectification or the delivery of faultless goods. In urgent cases we are additionally entitled to remedy the defects ourselves or have them remedied by a third party or to procure substitute delivery from another source (substitute performance). Any extra costs arising therefrom shall be borne – without prejudice to any other legal claims – by the contractor. The right to substitute performance exists also if the contractor defaults on his/her warranty obligations.

9.4 The limitation period for the warranty for defects is 36 months. It begins with the delivery or receipt of the deliveries and services which will remain with us (alternatively, successful commissioning). In case of deliveries which are applied to products delivered to third parties or services which are performed to items of thirds parties, the limitation period begins only with the operation of the products by the third parties; on request, we shall inform the contractor about the beginning of the warranty.

9.5 Within the framework of claims for damages being based on the warranty for defects, the contractor shall be responsible also for such costs resulting from precautionary measures e.g. the preventive change of parts in order to prevent material damages.

9.6 In case of claims against us for violation of official safety regulations or arising from domestic or foreign statutory product liability provisions because of a deficiency of our product, attributable to a contractor's product, we are entitled to demand compensation from the contractor in respect of the loss caused by the product. On demand the contractor has to indemnify us from any such claims and the contractor has to assume our defence against such claims including the necessary costs for the legal advice; we are entitled to demand a reasonable advance on costs.

9.7 Provided that corrective measures have to be taken for our products (warnings, recall or similar) and the product fault

– being decisive for that – has been caused by the contractor then the contractor shall bear the costs for the corrective measures inclusive of our internal expenses.

10 Observance of laws, regulations and rules of conduct

10.1 The goods to be supplied must comply with the legal regulations applicable at the site of operation and the relevant technical standards.

10.2 The contractor shall, perform all deliveries and services under observance of all appropriate working-and environmental law, official and employers' liability insurance association regulations and under expressly consideration of the interests of the environment protection. If the contractor has labour or environmental law concerns with regard to the means of our performance, he has to notify us immediately in writing. When delivered to us, the contractor takes over the observance of all default and the undertaking of all measures, which result from the REACH-Regulation (Regulation EG no. 1907/2006), as essential contract duties. The use of asbestos-containing material is prohibited in any case. If there is any infraction of the previous terms we are entitled to exercise compensation claims and to withdraw from the contract. And the contractor releases us from all claims of third, which are based on the violation of the obligations mentioned previously. The claim for compensation also includes all of our expenditures, in particular legal defence costs and administrative expenses and the costs of a replacement.

10.3 The contractor is indentured, in the context of the performance of the contract, to pay attention and obey the following specifications: all applicable statutory provisions, including the primary and secondary EU / EC law and all national and international, state, guidelines, regulations, agreements and corresponding additional protocols, which were agreed between the contractor and us, and all typical industry standards.

The applicable legal regulations especially include:

- a. the law of protection against hazardous substances, ("ChemG") and the hazardous material order (order of protection against hazardous substances in the German health and safety protection at the workplace, "GEfStoffV"),
- b. the "Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships" passed by the International Maritime Organization (IMO), in particular the IMO MEPC 269(68) "Guideline for the development of the inventory of hazardous materials" and the EU-order no. 1257/2013 (order about recycling from ships and the change of the order (EG) no. 1013/2006 and the guideline 2009/16/EG) on 20.11.2013,
- c. the EC-guideline 2002/95/EC passed by the European Parliamentary and the council on the 27.01.2003, which includes the restriction of the use of hazardous materials in electrical- and electronics devices ("RoHS"),

- d. the EC-guideline 2002/96/EC including electrical-and electronics old devices ("WEEE-guideline"), guideline 2006/66/EC including batteries, accumulators and old batteries ("battery-guideline") and every other legal requirement concerning the return of electrical and electronic devices, batteries or accumulators,
- e. the UN Globally Harmonized System of Classification, Labelling and Packaging of Chemicals, "GHS",
- f. the guideline 67/548/EEC ("risk- and security attempts"),
- g. guideline 1999/45/EC including the legal- and administrative regulations of classification, labelling and packaging of chemicals,
- h. the European guideline specifically for product, including the guideline for electrical operating capital, machines and receiver ("CE-labelling-guidelines"),
- i. the European List of Notified Chemical Substances, "ELINCS",
- j. the European Inventory of Existing Commercial Chemical Substances, "EINECS",
- k. the regulations in use- or transport countries, for example the regulations of the US Ministry of Transport concerning the orders of labelling, classification, dispatch and documentation of chemicals including chemicals according to "49 CFR" of the international Sea Navigation organisation ("IMO") and the international Airline Association ("IATA"),
- l. all comparable legal orders, which have validity in the use- and transport countries.
- m. SOLAS Regulation II-1/3-5 "New Installation Asbestos"
- n. IMO MSC.1/Circ. 1379 "Unified Interpretation of SOLAS Regulation II-1/3-5"
- o. IMO MSC.1/Circ. 1426 "Unified Interpretation of SOLAS Regulation II-1/3-5"

Due to the Dodds-Frank-Act on 22.08.2012 the implementation of reporting and the disclosure obligation in relation of 'conflict minerals' is required from the US-American Securities and Exchange Commission, SEC. The contractor is indentured to submit the corresponding declaration. This can be done in the database created for it (iPoint) or in form of the template EICC/GeSi. Farther information receives the contractor on the website www.conflictreesourcing.com. The contractor agrees to deliver conflict-free from the 01. January 2016. As far as in this contract the concept "hazardous substances" is used, all substances or materials, which are declared or described as hazardous substances, all harmful and toxic substances, pesticidal or dangerous goods and every other substance, which can be classified as potential danger for the health or the environment, are meant by that. REINTJES has the

right, to investigate all documents of the contractor and make inspections, which serve the purpose to check the compliance of applicable statutory and other regulations and industry standards, in the facilities of the contractor to an appropriate extent. The contractor will support REINTJES fully with that. The contractor will provide us on our request all certificates and evidence or other documents, which are required in view of applicable statutory regulations.

10.4 The contractor agrees to make sure, that the delivery items comply with the requirements of the EU New Approach and Global Approach Guidelines and harmonized standards. Incomplete machines shall be delivered to us with an installation explanation and a detailed assembly instruction, which considered the requirements of the machine regulation. A replacement of the above obligations will entitle us to claim damages.

11 Liability

If we are taken up because of injury of official safety regulations or account of in or foreign legal product liability regulations and this is on a product from the supplier, we are entitled to require compensation. In this case the supplier has to pay the costs and expenditures, for example official warnings or call back campaigns. We inform the supplier on time about assertion of such compensation claims.

12 Liability insurance

The contractor shall, throughout the term of the supply relationship, maintain a liability insurance, in particular a product liability insurance with cover of at least 2.5 million EUR and provide proof of this on demand. The contractor

already here and now assigns to us benefits of the insurance; we hereby accept such assignment.

13 Design protection

The contractor is forbidden from producing himself/herself or by third parties, goods according to our specification or to distribute counterfeited goods by himself/herself or by third parties. In each case of culpable breach of this provision, the contractor shall forfeit a penalty amounting to 50,000 EUR; the statutory claims for damages shall remain unaffected thereby, a set-off is not possible.

14 Continued validity in case of partial invalidity

If one of the provisions of our conditions of purchase is or becomes invalid, then the void provision has to be replaced by a valid provision which comes closest to the economic purpose. The validity of the remaining provisions shall not be affected thereby.

15 Place of performance

Place of performance for the delivery is the location of the delivery address.

16 Jurisdiction and applicable law

16.1 All disputes arising out of the business relationship shall be decided by the courts being competent for Hannover, Germany. We are also entitled to sue the contractor in the court that has jurisdiction over his/her headquarters.

16.2 The laws of the Federal Republic of Germany shall apply exclusively with the exception of the UN Sales Convention (CISG).

As of April 2018