

thyssenkrupp rothe erde Germany GmbH

General Terms and Conditions of Purchase

(convenience copy)

- Purchaser's terms and conditions of purchase shall apply exclusively. Supplier's terms and conditions which deviate from Purchaser's conditions of purchase shall not be recognized by Purchaser unless Purchaser expressly consents to their validity in writing.
- The terms and conditions of purchase shall also apply exclusively if Purchaser accepts or pays for supplies/services in full awareness of contradictory or varying terms and conditions of Supplier.

I. Purchase orders

- Purchaser orders shall be binding only if they are placed by Purchaser in writing. Verbal agreements – including subsequent amendments and additions to these terms and conditions of purchase – must be confirmed in writing by Purchaser for them to become valid.
- 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.
- Documents used by Supplier in business dealings with Purchaser shall indicate at least: purchase order number, commission order number, plant, place of receipt, full article text/item description, volumes and volume units as well as VAT ID (for imports from the EU).

II. Prices

The prices are fixed prices. They are inclusive of everything Supplier has to do to fulfill his supply/service obligation.

III. Scope of supply/service; ownership; usage rights

- As part of the scope of supply/service
 - Supplier shall transfer to Purchaser ownership of all technical documents (also for subcontractors) and other documents needed for manufacture, maintenance and operation. Said technical documents shall be in German and shall be based on the international SI standard system
 - Supplier shall grant Purchaser non-exclusive and irrevocable usage rights that are unrestricted in terms of location, time and content to all protectable supplies/services for all known and as yet unknown types of use; [in particular Purchaser shall be entitled without restriction to duplicate, edit, disseminate in unaltered and altered form and publish via wire-based or wireless technology all supplies/services, and to transfer all contractually granted usage rights to third parties with or without charge]
 - Supplier shall grant Purchaser exclusive usage and utilization rights in the scope described above to those supplies/services he produces specifically for Purchaser
 - Supplier pledges to strictly observe the provisions of the Employee Inventions Act and file claims to the corresponding inventions in due form and time. This shall also apply insofar as Supplier does not employ his own staff, but rather commissions third parties in the framework of the permitted employment of temporary workers
 - Purchaser shall have the unconditional authority to carry out or have carried out by third parties repairs and modifications to the purchased supplies/services, and also to manufacture spare parts or have them manufactured by third parties
- If the scope of supply/service is to differ from that agreed, Supplier shall be entitled to additional claims or schedule changes only if a corresponding supplementary agreement is concluded in writing with Purchaser prior to performance of the order.
- The ordered volumes are binding. In the event of excess supplies/services, Purchaser shall be entitled to refuse these at the expense and cost of Supplier.

IV. Quality

Supplier shall install and maintain a state-of-the-art, documented quality system of suitable type and scope. Supplier shall prepare records, in particular of quality inspections, and make these available to Purchaser on request.

Supplier hereby agrees to quality audits being carried out by Purchaser or Purchaser's representative to assess the efficiency of said quality system.

V. Supply and service periods/deadlines

- Agreed delivery dates are binding. In the event that agreed deadlines are not met, statutory provisions shall apply. Supplies/services provided before the agreed delivery dates shall entitle Purchaser to refuse supply/service until it is due.
- If Supplier becomes aware that an agreed deadline cannot be met, he must inform Purchaser in writing without delay, stating the reasons and the expected duration of the delay.
- Unreserved acceptance of the delayed supplies/services may not be construed as relinquishment of any compensation to which Purchaser is entitled; this shall apply until full payment of the fee owed by Purchaser for the supply/service concerned has been made.

VI. Delivery/performance and storage

- Insofar as Supplier and Purchaser agree validity of one of the "Incoterms" of the International Chamber of Commerce (ICC) for the contract, the currently valid version thereof shall apply. They shall apply only insofar as they do not contradict the provisions of these general terms and conditions of purchase and other concluded agreements. Unless otherwise agreed in writing, the supply/service shall be "delivered duty paid" (Incoterms: DDP) to the place of delivery/performance or use indicated in the purchase order.
- Supplies/services must be shipped to the addresses indicated. Delivery to/performance at a place of receipt other than that designated by Purchaser shall not constitute transfer of risk to Purchaser even if said place of receipt accepts the delivery/service. Supplier shall bear the additional costs of Purchaser resulting from the delivery being made to/service performed at an address differing from the agreed place of receipt.
- Part supplies/services are not permitted unless Purchaser has expressly consented thereto. Part supplies/services are to be marked as such, delivery/service notes shall be submitted in triplicate.
- If weighing is necessary, the weight determined on the calibrated scales of Purchaser shall apply.
- Insofar as Supplier has the right to have the packaging needed for shipment/services returned, this shall be clearly marked on the delivery/service documents. In the absence of such marking, Purchaser shall dispose of the packaging at the cost of Supplier; in this case Supplier's right to have the packaging returned shall expire.
- Items needed for the fulfillment of an order may be stored on the premises of Purchaser in allocated storage areas only. For such items Supplier shall bear the full responsibility and risk of the entire order until the transfer of risk.
- During transportation the statutory provisions, in particular the provisions of the law on the transportation of hazardous goods and the applicable hazardous goods directives including the respective annexes and appendices must be complied with.
- The declaration of the goods in the consignment notes for shipment by rail shall comply with the valid provisions of the railways. Costs and damages incurred due to incorrect declaration or failure to declare shall be at the expense of Supplier.
- Supplier shall have the receipt of deliveries confirmed in writing by the indicated place of receipt.

VII. Execution, sub-suppliers, assignment

Insofar as supplies/services are provided under work and labor contracts

- Supplier shall not be entitled to transfer the execution of the contract in whole or in part to third parties.
- Supplier is obligated to name his subcontractors to Purchaser on request.
- Supplier shall not be entitled to assign his contractual claims vis-à-vis Purchaser to third parties or permit third parties to collect same. This shall not apply for legally established or uncontested claims.

VIII. Termination

- Purchaser shall be entitled to terminate the contract in full or in part. In such an event, Purchaser is obligated to pay for all supplies/services completed up to that point and make appropriate payment for material procured and work/services performed; in this case § 649, Sentence 2 of the German Civil Code (BGB) shall apply. Further claims of Supplier are excluded.
- Purchaser is entitled to terminate the contract with immediate effect for cause in particular where a material deterioration in the financial situation of Supplier occurs or threatens to occur and thus endangers the fulfillment of commitments vis-à-vis Purchaser. In this case Purchaser has the right to acquire material and/or semi-finished products including any special equipment on reasonable terms and conditions.

IX. Invoicing, payment, offsetting

- An invoice issued in accordance with § 14 German Sales Tax Law (UStG) is a prerequisite for payment. The invoice shall be paid within 30 days of delivery/service and receipt. Any delivery/service effected before the agreed date shall not affect the payment period tied to this delivery date.
- Supplier may only offset against uncontested or legally established claims.

X. Claims under liability for defects

- Supplier guarantees on a fault basis that his supplies/services exhibit the agreed properties and fulfill the intended purpose. In the event that Purchaser incurs costs such as transport/travel, working and material costs or contractual penalties as a consequence of defective supplies/services, Supplier shall bear said costs.
- The limitation period for defect liability claims shall begin with the full supply/performance of the scope of supply/service or, if acceptance testing is agreed, on acceptance.
- The limitation period for defect claims is 36 months; longer statutory limitation periods shall remain unaffected by this. The limitation period shall start anew for newly supplied/performed parts, but for repaired parts only insofar as the same defect or the consequences of inadequate remediation are concerned, remediation would involve a wider scope, a significant amount of time or higher costs, and Supplier has not remedied the defect expressly only out of goodwill, to avoid disputes or in the interests of continuing the supply relationship. Purchaser shall provide prompt notification of defects. At all events the notification is deemed to be in good time insofar as it arrives at Supplier within a period of three working days of receipt of goods and a longer period has not been agreed in the individual case, or – for hidden defects – from the time of discovery. For defects notified within the limitation period, the period shall end no earlier than six months after assertion of the notice of defects. Supplier shall not object on the grounds of delayed notification (§§ 377, 381, (2) German Commercial Code (HGB)) for all other than obvious defects.
- All defects which are notified within the period of limitation shall be remedied by Supplier without delay and at no cost to Purchaser. The costs of remedying goods or supplying/performing replacements, including all incidental costs (e.g. freight), shall be borne by Supplier in accordance with the statutory provisions. In the event that Supplier does not meet his remediation obligation within an appropriate period defined by Purchaser, Purchaser shall be entitled to eliminate the defects himself and demand reimbursement of the required expense or a corresponding advance from Supplier. This shall not affect statutory rights of withdrawal, purchase price reduction or compensation for damages.

XI. Guarantees/indemnification

- Supplier pledges to Purchaser that he shall comply with the provisions of the German Minimum Wage Act (MiLoG) and indemnify Purchaser against claims by third parties, in particular claims pursuant to § 13 MiLoG.
- In the event that existing compensation claims by third parties can be asserted vis-à-vis Purchaser due to supplies/services of Supplier, Supplier shall on first demand indemnify Purchaser against the full amount of such claims and pledge to cover reasonable legal and court fees of Purchaser.
- Supplier further pledges that goods produced, stored and transported on behalf of Purchaser, supplied to Purchaser or accepted by same shall be produced, stored, processed and loaded at secure operating and handling facilities, and protected from unauthorized access during production, storage, processing, loading and transportation. Supplier pledges that the employees involved in the production, storage, processing, loading, transportation and acceptance of such goods are reliable and that they have been checked against the currently valid EU sanction lists. Supplier further pledges that all business partners acting on his behalf have been informed that they also need to take measures to secure the aforementioned supply chain. Supplier agrees to his data being checked against the currently valid versions of the EU sanction lists.

XII. Place of fulfillment, legal venue

- Place of fulfillment for all supplies/services shall be the place of receipt indicated by Purchaser.
- The legal venue shall be the domicile of Purchaser, or at Purchaser's choice, Supplier's general legal venue.

XIII. Applicable law

All legal relations between Purchaser and Supplier shall be governed by the prevailing substantive law of the Federal Republic of Germany to the exclusion of the United Nations' Convention of April 11, 1980 on the Contracts for the International Sale of Goods (CISG) in the currently valid version.

XIV. Prohibition of advertising/secretcy

- The use of the thyssenkrupp logo/logotype and any mention of the thyssenkrupp Group, thyssenkrupp AG or individual Group companies as reference customers of Supplier requires the express prior consent in writing of thyssenkrupp AG in each individual case.
- Supplier shall maintain secrecy vis-à-vis third parties in respect of all operational events, facilities, plants, documents, etc. used at Purchaser's premises or those of his customers which become known to Supplier in connection with his activities for Purchaser, also after submission of the corresponding offers and after completion of the contract. Supplier shall impose corresponding obligations on his agents.

XV. Severability/written form

Should individual provisions of these conditions become entirely or partly invalid, the remaining provisions shall remain valid. The same shall apply for the corresponding contract.

Insofar as these General Terms and Conditions of Purchase demand declarations by the contractual parties to be made in writing, simple text form shall be sufficient.

XVI. REACH clause

Supplier must fulfill all specifications and measures resulting from the REACH directive for all materials, prepared materials and products supplied/provided to Purchaser.

XVII. Applicable version

Insofar as these General Terms and Conditions of Purchase are made available in another language, the German version shall take precedence.

As at: December 2019