

General Terms and Conditions of Purchase (GTCP)

of Atlas Copco IAS GmbH, as of March 2020

1. Scope of Application

- 1.1 The present General Terms and Conditions of Purchase ("GTCP") shall exclusively apply to any and all orders, purchase orders placed by Atlas Copco IAS GmbH – hereinafter "AC IAS" or "us" – and contracts concluded with companies, legal entities under public law or special funds under public law as defined by Section 310 (1) of the German Civil Code (BGB) – hereinafter "Order" – governing the purchase of goods and work performances or services – hereinafter "Deliveries".
- 1.2 We hereby explicitly contradict to any terms and conditions of our suppliers deviating from the present Terms and Conditions of Purchase or amending them; they shall not be binding upon us. Our Terms and Conditions of Purchase shall also be exclusively applicable if we do not contradict to the inclusion of the terms and conditions of our supplier in the individual case or accept the supplier's delivery unconditionally while being aware of contrary or amending terms and conditions of the supplier.
- 1.3 The present Terms and Conditions of Purchase shall also apply to all future business dealings with the supplier even if they will not be explicitly agreed again.
- 1.4 The invalidity or unenforceability of individual provisions of the present Terms and Conditions of Purchase shall not affect the validity of the remaining provisions. The invalid or unenforceable provisions shall be replaced by such legally admissible regulation which comes as close as possible to the economic purpose intended with the invalid or unenforceable provision.

2. Conclusion of the Contract

- 2.1 All agreements between the supplier and us and any and all Orders shall only be binding upon us if they are stipulated in writing. Any modification, amendment or ancillary agreement made before, upon or after the conclusion of the contract shall be subject to our written confirmation. The requirement of written form may only be waived in writing. The written form shall also include the transmission via fax, email or remote data transmission.
- 2.2 If the supplier fails to accept our Order within a term of two weeks from its receipt in writing, we shall be entitled to revoke it. Call-offs shall become binding, unless the supplier contradicts to them within three (3) working days from their receipt. Any modifications, amendments or

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other deviations from our Orders shall only be valid if they are referred to explicitly and separately and we explicitly agree to them.

- 2.3 The supplier shall be bound to their offer for four weeks. In the offer, the supplier shall adhere to our request or request for quotation and to drawings and technical data, respectively in terms of quantity, quality and design and, in case of deviation, refer to it expressly in writing. We may revoke the Order, unless we receive the order confirmation without delay. If the order confirmation deviates from the Order, we shall only be bound if we agree to the deviation in writing. The acceptance of the products or their payment shall not signify consent.
- 2.4 We may request modifications to the contract even after conclusion of the contract as far as this is reasonable for the supplier. If the contract is modified, the effects on both parties, especially with respect to extra and reduced costs as well as delivery dates shall be considered appropriately. Any additional price by reason of a change to the design shall be communicated to us immediately and shall require our written consent before it is executed.
- 2.5 The supplier shall not be entitled to subcontract the contract to third parties, in whole or in essential parts, or transfer rights under this contract to third parties or change the production site without our written consent. This shall not apply to the assignment of a monetary claim. If we grant our consent, the supplier shall remain responsible for the fulfillment of the contract.

3. Prices and Payment Conditions

- 3.1 The prices specified in the Order shall be fixed prices and binding. The prices shall include the delivery “free domicile” together with Incoterms 2020 DDP and any and all packaging, transport, insurance and all other costs of delivery [such as e.g. insurance, customs clearance and/or VAT, etc.], unless explicitly otherwise agreed in writing. Unless otherwise agreed in individual contracts, the prices shall be net prices, excluding statutory VAT. If the supplier has assumed the installation, assembly and/or commissioning and unless otherwise agreed in writing, the supplier shall bear all required incidental costs, such as e.g. traveling costs and provision of the tools.
- 3.2 Prices shall be considered irrevocably agreed until the complete fulfillment of the contract, unless we may benefit from a discount. If the prices of the supplier are discounted between the Order and expiry of the payment terms in accordance with its list prices, the discount shall also be applicable to us. The supplier shall be obliged to inform us of the discount and provide evidence of its amount in case of a dispute.
- 3.3 The invoice shall specify the order number shown in our order, the order date, the supplier number and our item number clearly highlighted.
- 3.4 Unless otherwise agreed in individual contracts (for instance USD or RMB), invoices shall be issued in EURO. Unless otherwise agreed in individual contracts (for instance USD or RMB), payments shall only be made in EURO.

- 3.5 We may only process invoices if they include the required information – in accordance with the specifications in our Order and the aforementioned conditions; the supplier shall be responsible for all consequences arising out of the non-compliance with this obligation, unless the supplier proves that they cannot be attributed to them.
- 3.6 Payments shall be made at our option by means of transfer or check or draft after acceptance of the delivery and receipt of a verifiable invoice and provision of all documents included in the scope of delivery. Unless otherwise explicitly agreed in writing, we shall pay either within 14 days deducting a 3% discount or within 30 days without deduction.
- 3.7 The payment shall not signify that the products are recognized as being in accordance with the contract.
- 3.8 The supplier shall not be entitled to assign their claims against us, in whole or in part, or dispose of them otherwise without our prior written consent.
- 3.9 We shall be entitled to rights of set-off and retention to the legally permissible extent and also in case of or against claims of companies affiliated with us. The supplier shall only be entitled to a right of retention and right of set-off if their counterclaims are uncontested or recognized by declaratory judgment. The assignment of claims against us shall be subject to our written consent. Section 354a of the German Commercial Code (HGB) shall remain unaffected. If we grant our consent, the supplier shall remain responsible for the fulfillment of the contract. We shall be entitled to transfer rights under this contract to third parties.

4. Delivery Dates and Terms of Delivery

- 4.1 The dates specified in the order or agreed otherwise shall be binding and must be met exactly. Delivery times shall refer to the time of hand-over to the point of receipt specified by us. The delivery in due time shall also include the hand-over of the legally required and agreed documentation in German, e.g. approvals, test certificates, declarations of conformity, DIN or EN safety data sheets.
- 4.2 The supplier may only invoke the lack of required documents, data, provisions, etc. to be supplied by us if they have sent a reminder for them in due time in writing and have not received them within a reasonable term. Any possible delays of fixed dates shall be communicated by the supplier immediately in writing.
- 4.3 The acceptance of the delayed delivery by us shall not be deemed a waiver of claims of compensation.
- 4.4 The supplier shall inform us immediately, in writing, of an imminent delay or exceeding of the agreed dates and terms specifying the reasons and expected duration.
- 4.5 Partial deliveries and early deliveries shall only be permissible if we explicitly agreed to them. However, the payment claim shall become due at the delivery date originally agreed at the earliest.

- 4.6 Unless otherwise agreed, the delivery shall be made free domicile to the delivery address, Incoterms 2020 DDP, incl. insurance. The reservation of self-delivery shall be excluded. Starting from 5 pallets, these shall be notified 1-2 days before the delivery.
- 4.7 Unless otherwise agreed, the delivery shall be accompanied, apart from the delivery note, by a works test certificate according to EN 10204 or an equivalent internationally accepted test certificate specifying the characteristic data agreed with the supplier. Initial deliveries shall be accompanied by an initial sample test report.
- 4.8 Deliveries shall only be possible at the agreed times.
- 4.9 In case of delayed delivery, we shall be entitled to request a contractual penalty to the amount of 1% for each started week of delay, but, in total, no more than 10% of the order value; in this context, the supplier shall be entitled to prove in a verifiable way for us that no or just a considerably lower damage has resulted. The assertion of further damage shall be reserved. We shall be obliged to declare the reservation of the contractual penalty at the latest upon payment of the invoice succeeding the delayed delivery.
- 4.10 Events of force majeure, official requirements and other circumstances not caused by us, such as e.g. strike, difficulties in material procurement, riots, embargoes, travel warning of the German Federal Foreign Office which make the delivery by our supplier or the acceptance or use of the delivery in our plant or by our customer impossible or materially complicate them, shall appropriately postpone our obligation of acceptance in accordance with our actual requirement.
- 4.11 In cases of force majeure, official requirements and other circumstances not caused by us, such as strike, difficulties in material procurement, riots, embargoes, travel warning of the German Federal Foreign Office at us or our supplier's, we shall also be entitled, at our option, to rescind the contract, in whole or in part, or postpone its execution without the supplier being entitled to claims against us in connection therewith.
- 4.12 Any and all transport costs shall be communicated to us in due time in advance so that we may have the products picked up ourselves if required. If the pricing is agreed ex works / sales depot of the supplier or if we pay the freight, the consignment shall be transported at the respectively lowest costs or the respective routing order shall be observed. If the separate cost assumption by us is agreed, the packaging shall be charged at the cost price. The forwarder shall be informed – if we pay the freight – that we act as customer exempted from forwarding insurance as defined by Section 21 of the General German Carrier Conditions (ADSp) and do not recognize any amounts for cartage and forwarder's risk insurance policy. Any partial delivery or early delivery shall be inadmissible, unless we have agreed in writing. In case of early delivery, we reserve to perform the return at the supplier's expense or make the payment only on the agreed due date. If there is no return in case of early delivery, the products shall be stored by us until the delivery date at the supplier's expense and risk.

5. Place of Fulfillment, Transfer of Risk, Acquisition of Title

- 5.1 The place of fulfillment shall be such place specified in the Order which the goods are to be delivered to or where the work performance or service is to be provided. If there is no place of fulfillment explicitly specified in the Order, in case of doubt, our registered office Gewerbestrasse 52, 75015 Bretten, Germany, incom. goods dep. shall be considered the place of fulfillment.
- 5.2 The place of fulfillment for our payments shall be our registered office.
- 5.3 The delivery shall be delivered with proper transport packaging free place of delivery to the address specified by us or provided there on the supplier's account and at the supplier's risk. The risk of accidental loss or accidental deterioration of the delivery shall only be transferred to us upon receipt by us or our commissioned forwarder at the agreed place of fulfillment or after final acceptance of the delivery, whichever is later, even if we agreed to assume the freight costs.
- 5.4 Upon the transfer of risk at the place of fulfillment or upon hand-over to a forwarder specially commissioned by us, we shall acquire the title of the goods and no rights will be reserved for the supplier.

6. Liability for Defects and Other Liability

- 6.1 The supplier shall supply the products without any material defects and defects of title, in line with the state of the art and always complying with the relevant regulations under environment protection law for the places of use known to them. The supplier shall warrant the compliance with all agreed or legally prescribed technical data, DIN or EN standards, quality assurance requirements, specifications, certifications and quality standards, requirements of the Reach regulation and further requirements specified by us.

Moreover, the supplier shall warrant that the supplied products are free from any paint-wetting impairment substances (free from PWIS).

On request, the supplier shall provide evidence for it free of charge.

- 6.2 We shall only check the identity and quantity of the supplied goods based on the accompanying documents and check the goods for visible transport damage.
- 6.3A Any defects of the consignment shall be notified, once they have been identified during the normal course of our business procedures, after having been identified by us, however, at the latest after delivery to the point of receipt specified by us, however, at the earliest within at least 5 working days from the delivery date agreed in writing. In this respect, the supplier shall waive the objection of delayed notification of defects (Section 377 of the German Commercial Code (HGB)).

- 6.4 The acceptance or approval of models or samples shall not constitute a waiver of warranty claims.
- 6.5 Unless otherwise provided in this item (6), the supplier shall be liable in accordance with the legal provisions, especially for defects of delivery without this liability being limited or excluded on grounds of cause or amount and shall indemnify us from claims of third parties in this respect.
- 6.6 As a matter of principle, we shall be entitled to the right to select the type of subsequent performance. The supplier may reject the type of subsequent performance selected by us subject to the preconditions of Section 439 (3) of the German Civil Code (BGB).
- 6.7 The right of damages, especially the right of damages instead of performance shall be explicitly reserved.
- 6.8 The supplier shall bear any expenses required for subsequent performance, especially transport, labor and material costs.
- 6.9 If the supplier fails to start to remove the defect immediately after having been requested by us to do so, we shall, in urgent cases, especially to avoid imminent danger or major damage, be entitled to the right to remove the identified defects ourselves or have them removed by third parties at the supplier's expense without a prior grace period having to be set.
- 6.10 Unless otherwise agreed or the legal regulations provide longer terms, any claims for material defects shall prescribe 24 months from the sale of the end product to the end customer by us, the passage of title to the end customer being relevant for the start of the prescription term, but no later than 30 months from the delivery to us.
- 6.11 In case of work performances, the prescription term shall be 30 months from the time of the written final acceptance.
- 6.12 If the delivery was used for a built structure in accordance with its normal use and has caused it to be defective, the prescription shall only occur after 5 years.
- 6.13 The prescription periods specified in this item (6) shall not apply in case of goodwill service of the supplier or completely irrelevant defects. During a rectification attempt of the supplier the prescription shall be suspended.
- 6.14 Our rights under Sections 478, 479 of the German Civil Code (BGB) shall remain unaffected by these regulations.
- 6.15 In case of defects of title, the supplier shall also indemnify us from any possible claims of third parties. With respect to defects of title, a prescription period of 10 years shall be applicable.
- 6.16 If an incoming goods inspection exceeding the usual extent becomes required due to a defective delivery, the supplier shall bear the relevant costs.

- 6.17 In case of an imminent or occurred insolvency of the supplier, we shall be entitled to withhold an appropriate security retention for the duration of the respectively relevant periods of removal of defects.
- 6.18 The supplier shall be liable to us for any fault, also for the faults of their representatives and servants. Any limitations or restrictions of liability shall be excluded.
- 6.19 In our plants and on our factory premises, the supplier shall be obliged to monitor the employees used by them and other third parties and to ensure the compliance with the special statutory, official and company regulations, especially in regard of occupational safety and correct reporting of the persons employed by them which are applicable to such plants. These regulations shall be binding and constitute essential elements of the contract.

7. Product Liability

- 7.1 The supplier shall indemnify us from any claims of third parties from and in connection with any personal injury and material damage [as if they were directly liable] if and to the extent that the cause for this falls within the supplier's sphere of control and organization.
- 7.2 The supplier shall bear all costs associated with any recall campaign attributable to them (in particular any selection costs). Within the framework of their liability for events of damage or loss, the supplier shall also be obliged to reimburse any expenses in accordance with Sections 683, 670 of the German Civil Code (BGB) or in accordance with Sections 830, 840, 426 of the German Civil Code (BGB) which result from or in connection with any recall campaign executed by us. Where possible and reasonable – we shall notify the supplier of the contents and scope of the recall measures to be taken and shall provide them with the opportunity to make a position statement. Any other legal claims shall remain unaffected. The supplier shall take out insurance with adequate coverage against all risks from product liability, including recall risks. Upon request, the supplier shall provide a corresponding supporting document.
- 7.3 The same shall apply if any claim is asserted against us due to any subsequent modification of advertising statements or product descriptions of the supplier. Any other rights of recourse shall remain unaffected.
- 7.4 The supplier undertakes to maintain extended product liability and recall cost insurance with a minimum sum insured of EUR 2,500,000.00 (two million five hundred thousand Euros) each per personal injury / material damage – as a flat-rate; our claims, however, shall not be limited to the sum insured.

8. Compliance with Property Rights and Regulations

- 8.1 The supplier shall assure and warrant that their delivery and such delivery's use neither violate any industrial property rights or any other third-party rights nor infringe any legal or official regulations of any nature whatsoever.
- 8.2 The supplier shall also warrant that they have verified any potential third-party property rights in the recipient country of the products and that no third-party property rights are violated.
- 8.3 The supplier shall further assure that the goods delivered by them do not contain any CFC, PCB or asbestos. The supplier undertakes to make available free of charge all relevant IMDSystem data upon our request.
- 8.4 The supplier shall be obliged to indemnify us from any and all claims asserted by any third parties against us on the occasion of or in connection with the delivery or its use. They shall reimburse us for all reasonable expenses of any assertion of claims. Item 6.15 sentence 2 shall apply.
- 8.5 We shall be entitled, at the supplier's expense, to obtain from the holder of the property rights the approval required for the use and distribution, etc. of the products if it can be expected that the costs resulting therefrom will be considerably lower than the damage caused in case of a reverse transaction. Any obligation to do so shall not be created.
- 8.6 The supplier's indemnity obligation shall also cover any and all expenses incurred by us from or in connection with the assertion of claims by a third party.

9. Retention of Title, Tools

- 9.1 We shall retain title to the goods provided by us (e.g. parts, components, semi-finished products).
- 9.2 The retention of title shall also cover the products created by any processing, blending or combining of our goods at the full value of such products, with said operations being carried out for us, so that we shall be considered as the manufacturer. If, in case of any processing, blending or combining with any third-party goods, their ownership rights continue to exist, we shall acquire joint ownership in relation to the objective values of such goods. The supplier shall store the sole or joint ownership for us free of charge.
- 9.3 Any tools made available to the supplier and any tools manufactured by the supplier itself on our behalf or ordered from any third parties for which we have made a cost contribution shall remain our property or shall become our property upon manufacture or acquisition by the supplier and shall be clearly marked as our property.
- 9.4 The supplier shall be obliged to store any tools for us free of charge, to take out insurance with sufficient coverage and to provide us with evidence of such insurance cover upon request. Unless otherwise agreed, the supplier shall be obliged to exclusively use the tools to manufacture parts defined by us.

- 9.5 The supplier shall service and maintain any tools provided at its own expense. At the end of the contract, the supplier shall return the tools at our request without undue delay without being entitled to any right of retention.
- 9.6 Upon return of the tools, they must be in a perfect technical and optical condition in line with their previous use. Any servicing costs shall be at the supplier's expense. The supplier must not scrap the tools without our written approval in any case.
- 9.7 Upon payment, all products shall become our property. The supplier shall be responsible for ensuring that no conflicting retentions of title or no other third-party rights exist to such. Otherwise, this shall be explicitly communicated.
- 9.8 Any retentions of title of the supplier shall apply only to the extent that they relate to our payment obligation for the products in question. Any extended or prolonged retentions of title shall be excluded.
- 9.9 If the security interests owed to us exceed the purchase price of all our goods subject to retention of title not yet paid by more than 10%, we shall be obliged, at the supplier's request, to release the security interests at our option.

10. Quality Assurance

- 10.1 The supplier undertakes to maintain during the entire business relationship a quality management system of at least DIN EN ISO 9001 ensuring that the deliveries made to us are of perfect quality, to monitor such system at regular intervals by internal audits and, if any deviations are found, to initiate the necessary measures without undue delay.
- 10.2 We shall have the right to verify the supplier's quality assurance, at any time, after prior announcement. Upon request, the supplier shall provide us an insight into any certification and audit reports as well as in any inspection procedures performed, including all inspection records and documents related to the delivery.
- 10.3 Our "Quality Standards" in their respective applicable version which we shall send to our suppliers upon request shall be an integral part of all Orders and agreements between our suppliers and us.

11. Secrecy, Property Rights, Documents

- 11.1 If the supplier has any copyrights or property rights, it shall grant us an irrevocable, exclusive and unlimited right of use and utilization. We shall be entitled exclusively to use and/or utilize any deliverables created for us.
- 11.2 Any and all information, formulations, drawings, models, tools, technical and commercial records, procedural methods, software and other technical and commercial know-how made

accessible by us or ascertained by the supplier, as well as any deliverables achieved in this context (hereinafter: "Confidential Information") shall not be disclosed by the supplier to any third parties and may be used within the supplier's own operation exclusively for the execution of deliveries to us and may be made accessible only to such individuals who must have knowledge of the Confidential Information within the framework of the business relationship and have been obliged to secrecy in accordance with this regulation. The same shall also apply beyond the duration of the business relationship as long as and as far as the supplier is unable to demonstrate that the Confidential Information has already been known to them or that it was in the public domain at the time of its obtainment or has come to the public domain at any later point in time through no fault of their own.

- 11.3 All documents (e.g. drawings, illustrations, inspection requirements, construction plans, data sheets, sketches, samples, dummies and any software created according to our specifications, including source codes), samples and models, etc. made accessible by us to the supplier within the framework of the business relationship shall remain our ownership or we shall retain title to the copyrights thereto.
- 11.4 Upon our request and at our option, the documents (including any existing copies, transcripts, extracts and reproductions) shall be returned to us at any time, at the latest upon termination of the business relationship or, if no contract is concluded shall, at our choice, be returned to us or be destroyed at the supplier's expense, unless any statutory retention obligation exists. In this case, the return / deletion shall take place after the expiry of the retention period.
- 11.5 The supplier shall not be entitled to any right of retention vis-à-vis clause 11.4 in this respect.
- 11.6 Disclosure of any Confidential Information and any transmission of documents, samples or models shall not create any rights for the supplier to any industrial property rights, know-how or copyrights and shall not constitute any prior publication or any right of prior use within the meaning of the German Patents Act and the German Utility Models Act.
- 11.7 No reference must be made to the business relationship existing with us, in particular for any advertising purposes, without our prior written consent.

12. Miscellaneous

- 12.1 By taking appropriate organizational measures, the supplier shall ensure the implementation of Regulations (EC) No 2580/2001 and 881/2002 as well as of any corresponding US and/or other relevant provisions, in particular by using adequate software systems.
- 12.2 Once the goods have left our facilities, the supplier shall solely be responsible for the aforementioned provisions and shall indemnify us from all claims and costs, including reasonable attorneys' or consultants' fees and fines, affecting us due to any pertinent infringement by the supplier, their associated companies or employees, representatives and/or auxiliary agents.

- 12.3 These provisions shall also apply to the supplier's associated companies within the meaning of Section 15 of the German Stock Corporation Act (AktG). The supplier shall impose them on their associated companies.

13. Choice of Law, Language Agreement, Place of Jurisdiction Agreement

- 13.1 Each agreement, including the form of its occurrence and any and all resulting rights and obligations, shall be exclusively subject to the laws of the Federal Republic of Germany, to the exclusion of its private international law as far as it refers to the applicability of any other jurisdiction. The application of the Uniform UN Sales Law (C.I.S.G.) and of any other bilateral and multilateral conventions serving to unify international sale shall be excluded.
- 13.2 The contractual language shall be German. If you draw up any copies or parts of the contract in any other language, the German version shall apply in case of any ambiguities or deviations. Any negotiations shall likewise be conducted in German.
- 13.3 The courts based at the principal's (registered) office (Bretten, Federal Republic of Germany) shall have jurisdiction over all disputes from and in connection with the respective business relationships of the parties, also in relation to the conclusion and validity of any agreements. AC IAS reserves the right and shall be entitled to also sue the supplier before the courts having jurisdiction over their (registered) office (place of general and special jurisdiction).
- 13.4 If the supplier has their office outside the Federal Republic of Germany, we shall also be entitled, at our option, to have all claims, disputes or disagreements from any business relationships with suppliers settled in accordance with the rules of arbitration by one or three arbitrator(s) designated according to said rules, without recourse to the ordinary courts of law. The arbitration award shall be final and binding for the parties involved.

14. Final Provision

- 14.1 If individual or several provisions of these General Terms and Conditions of Purchase are or become ineffective, void or incomplete, this shall not affect the effectiveness of the remaining provisions. The parties shall replace the ineffective or void provision or shall complete the contractual loophole by such regulation that can serve best to achieve the economic purpose pursued by them.
- 14.2 Any modifications of and amendments to respective agreements between the parties which are not based on an individual arrangement shall require the written form. The same shall also apply to the waiver of the written form requirement.