

Terms and Conditions of Purchase

July 2020

The following purchasing terms and conditions apply to all business relationships unless expressly agreed otherwise in writing. Business terms and conditions that deviate from, conflict with, or supplement the following are invalid even if they are known and have not been specifically objected to, unless GAUTSCHI has expressly agreed to their validity.

Furthermore, the fulfillment of any contractual obligations by GAUTSCHI does not imply agreement to any alternative terms and conditions. The present terms and conditions also apply to all further legal transactions between GAUTSCHI and the Supplier.

1. GENERAL TERMS AND CONDITIONS FOR PURCHASE ORDERS

Orders and amendments or additions to orders are only legally binding if they have been issued in writing by the authorized Purchasing Department. Agreements made with other persons are not valid, unless the Purchasing Department is informed immediately and their written approval is obtained. The present terms and conditions are considered valid by the time the Supplier starts processing the order. Verbal agreements are not valid unless confirmed in writing by the responsible purchasing agent. The order date is the date the order is dispatched to the Supplier. The order is to be confirmed or rejected immediately in writing. If the Supplier should decide to reject the order, GAUTSCHI must be notified within a period of ten days; otherwise, the Supplier will be bound by contract and responsible for the proper processing of the order. Before an order acknowledgment is received, GAUTSCHI has the right to cancel the order at any time free of charge, without specifying a reason. A cancellation is considered valid, if the order is withdrawn before the order acknowledgment is received. Deviations in order content are to be clearly highlighted and require the express written permission of GAUTSCHI before they become effective. The acceptance of an order acknowledgment or a delivery does not imply recognition of the Supplier's terms and conditions. The Supplier's terms and conditions are therefore expressly opposed. GAUTSCHI can request changes to the order or the design and implementation of products at any time. If an order modification results in an increased delivery period or price, the Supplier must inform GAUTSCHI immediately, submitting in writing a reasonable suggestion regarding the delivery period and/or price situation. Otherwise, the delivery periods and prices originally agreed on will also apply to the changed order.

2. PRICES

The agreed upon prices are fixed prices including all fees and taxes (except for VAT). Provided that nothing else is specified in the order, the price is based on the condition "DDP" as per INCOTERMS 2020. The price includes the cost of documentation, technical testing, packaging,

markings, labels, etc. For shipments abroad, the Supplier's scope of supply includes export customs clearance, incl. all related costs, charges and fees.

3. PAYMENT AND INVOICING

Unless agreed otherwise, GAUTSCHI will settle payment within 14 days of the invoice being submitted, minus a 3% discount, or within 60 days net, provided that all conditions specified in the order have been met, and proper documentation has been supplied. If there is a problem with the equipment or the services supplied, GAUTSCHI may withhold outstanding payments. Payment does not imply acknowledgment of the correctness of the goods or services received, nor does it imply GAUTSCHI's waiver of completion of the order, warranty, warranty work, payment of damages, contractual penalties, etc. In case of a defect or any other complaint, the entire payment may be withheld by GAUTSCHI.

Invoices issued must include the order number, delivery note number, as well as GAUTSCHI's taxation identification number (UID). The VAT amount must be listed separately. Invoices must not be enclosed in shipments.

4. PACKAGING AND SHIPPING

All shipments are subject to GAUTSCHI's terms of shipment and packaging guidelines. These must be requested from GAUTSCHI if not already available to the Supplier. For international transports, the Supplier must provide a valid certificate confirming the preferential origin of the supplied goods (e.g. EUR-1 certificates or other movement certificates, certificates of origin, etc.). Any additional specific regulations issued by GAUTSCHI must be complied with. Unless otherwise specified in GAUTSCHI's shipping terms, the shipping documents may not include the order value. GAUTSCHI will only pay for transport insurance if this has been agreed on in writing. The Supplier is liable for risks, damages and costs incurred should the Supplier not conform to GAUTSCHI's shipping, packaging, customs and/or documentation regulations.

5. DEADLINES

Time is of essence. The deadlines and delivery dates set in the order are binding and refer to the arrival at the location of fulfillment. Should the Supplier realize that the agreed upon deadlines cannot be met, GAUTSCHI must be informed immediately in writing as to the reasons for and estimated duration of the delay. Should the Supplier not meet the agreed upon deadlines, the following contractual penalties shall be applied based on the total order value: The contractual penalties will be subtracted from the outstanding invoices issued by the Supplier. The Supplier waives the right of having these penalties reduced by court.

- Scope Of Supply And Services

1% per started week up to a maximum of 10% of the total order value;

- Documentation

1% per started week up to a maximum of 10% of the total order value;

The Supplier's obligation to pay the contractual penalty begins as soon as the deadline has been missed. Payment of such penalties does not release the Supplier from his obligation to execute the order, nor does it release him from any of his resulting liabilities.

6. GUARANTEE AND EXCLUSION FROM THE DUTY TO REPORT DEFECTS

The Supplier ensures that the scope of supply and services is entirely in line with the latest technical standards and state-of-the-art technology, and that all applicable legal regulations are complied with. The Supplier guarantees for a period of 36 months from the date of acceptance by the end user (GAUTSCHI's customer), that the equipment is free of defects and that GAUTSCHI will be indemnified for any disadvantages, claims and damages that may result from defective supply or inadequate service. GAUTSCHI has no obligation to carry out inspection or give notification of faults as defined in section 377 ff UGB (Austrian "Unternehmensgesetzbuch"), which, however, shall not limit any of GAUTSCHI's legal rights (especially regarding warranty claims, claims for damages and the right of rescission on the grounds of mistake). In case of replacement delivery and repair the guarantee period begins again.

7. WARRANTY, DAMAGES AND PRODUCT LIABILITY

If there are any defects or problems with the supplied equipment or the provided services, GAUTSCHI will choose the type of warranty to be provided by the Supplier (e.g. repair, improvement, replacement, price reduction). If the defect is not a minor one, GAUTSCHI is entitled to revoke the contract, instead of merely having the matter remedied. GAUTSCHI reserves the right to make improvements or repairs by themselves, or have a third party carry out the necessary work. The Supplier bears all related costs.

Until the Supplier proves otherwise, it is assumed that the defect was present already at the time of take-over, even if the defect is noticed after the six months period from the date of take-over.

The Supplier indemnifies GAUTSCHI entirely for any and all disadvantages that are encountered as a direct or indirect result of a defective supply or inadequate service, a violation of official safety regulations, delayed deliveries and deadlines, incomplete delivery, and/or any other legal issues caused by or attributable to the Supplier. The Supplier is obliged to fully compensate GAUTSCHI for all damages occurring as a result of such circumstances. This also applies to any costs incurred by GAUTSCHI or a third party (including material and personnel costs) in connection with assessing and remedying defects, as well as all material, personnel and other costs that can be categorized as wasted expenditure as a result of a defect. The Supplier is fully responsible for the performance of his contractors and will be held liable in the event of any shortcomings or defects caused by them.

If a product liability claim is made against GAUTSCHI by the end user as a result of inadequate equipment provided by the Supplier, the Supplier must indemnify GAUTSCHI for all expenses resulting from such a claim.

In this case, the Supplier bears all costs and responsibilities, including costs in connection with any legal procedures and recall of equipment.

8. EXPORT LICENSES

It is the Supplier's responsibility to obtain, at his own expense, all necessary export licenses in connection with the scope of supply and services, especially those required in the end user's country (GAUTSCHI's customer). By accepting the order, the Supplier guarantees that the entire order can be executed in full and that no limitations, whether from the local authorities or otherwise, interfere with the complete supply of goods and services. The Supplier shall be liable for any damages GAUTSCHI may suffer as a result of such limitations.

9. THIRD PARTY RIGHTS

The Supplier guarantees that no legal rights stand in the way of the intended use of the equipment, especially in terms of infringement of patents or other third-party rights. The Supplier holds harmless and indemnifies without restriction GAUTSCHI and/or the end user in the event that a third party claims such infringement.

10. CONFIDENTIALITY

Drawings, documents and other information required for executing the order and submitted to the Supplier by GAUTSCHI, as well as all experience and know-how gained during the course of processing the contract ("confidential information"), remain the exclusive property of GAUTSCHI. All drawings and documents are to be treated as strictly confidential, must not be passed on to third parties, and may not be otherwise utilized, analyzed reproduced or made available to third parties without GAUTSCHI's prior written permission. As soon as the order has been completed, all confidential information must be returned to GAUTSCHI. It is strictly prohibited to pass confidential information on to third parties, especially to companies that manufacture or operate identical or similar equipment. In the event of a violation of this secrecy agreement, GAUTSCHI reserves the right to withhold any payments that may be outstanding, and make a claim for damages. The secrecy agreement remains valid, even after the contract has been completed, and applies to all of the Supplier's employees, contractors and assistants.

11. DRAWINGS, DOCUMENTATION AND SUPPLIED MATERIALS

The drawings, information and know-how made available to the Supplier by GAUTSCHI remain the property of GAUTSCHI, and GAUTSCHI retains the right to the exclusive use of such drawings, information and know-how. The Supplier acknowledges that only GAUTSCHI holds the copyright on the above.

Material made available by GAUTSCHI remains GAUTSCHI's property, must be labeled as such and stored separately. The Supplier is liable for the loss of or

damage to such material, even if not at fault. After the order has been completed, materials supplied by GAUTSCHI are to be returned immediately.

12. SUSPENSION AND CANCELLATION

(1) GAUTSCHI reserves the right to suspend the project schedule (delivery time etc.) at any time without specifying reasons. This may result in changed deadlines, especially regarding delivery periods, receipt and acceptance of goods, and payment terms. GAUTSCHI is to notify the Supplier of such changes in writing. GAUTSCHI has no obligation to indicate the expected extent of the suspension.

The Supplier is obliged to make appropriate arrangements upon receipt of the written notification to minimize the costs related to the suspension. If the schedule is suspended by up to six months, the Supplier bears all costs related to the suspension. If the schedule is suspended by more than six months, the Supplier may invoice GAUTSCHI for all direct costs charged to them by a third party (e. g. for storage etc.), provided that these costs are reasonable and unavoidable, and were not incurred before the end of the above stated six-month period. However, the Supplier bears all other extra costs that may result from a suspended schedule (such as Supplier's own personnel costs, price increases by contractors and sub-suppliers, interest accrued, and other expenses due to a change in schedule). The original order value (sales price) shall stay the same in any case.

In the event of a suspension, all deadlines, especially with regard to the execution of the contract, the acceptance of the delivery and the payment schedule, are postponed accordingly.

Deadline extensions are always indefinite, even if the expected duration of the suspension is known. However, deadlines cannot be postponed by more than 24 months; at any time during this 24-month period, GAUTSCHI can demand in writing that the project be continued. The delivery periods start running again 14 days after the Supplier receives the written notification about the continuation of the project. If GAUTSCHI sends no notification, the contract schedule is automatically continued after a period of 24 months; in this case, the deadlines and delivery periods start running again immediately.

(2) GAUTSCHI reserves the right to cancel the entire contract or parts of the contract at any time and without specifying reasons. GAUTSCHI is to notify the Supplier accordingly in writing. The Supplier is obliged to stop all work related to the order at their own expense and immediately upon receipt of the written notification from GAUTSCHI. GAUTSCHI shall pay the manufacturing cost for those parts affected by the cancellation and which were verifiably finished by the Supplier prior to the written cancellation of GAUTSCHI. Such parts as well as any and all other rights shall become the property of GAUTSCHI. GAUTSCHI shall not pay for those parts that can be used by the Supplier for other purposes, especially for other orders and contracts. All other costs related to the cancellation of the contract are to be borne by the Supplier.

Other contractually agreed or legal regulations regarding the cancellation of the contract, especially concerning the

immediate termination for important reasons, remain unaffected.

(3) The contents of any contracts the Supplier may have entered with sub-suppliers and contractors shall be adjusted to match the Supplier's agreement with GAUTSCHI regarding suspension (see item 1) and cancellation (see item 2).

(4) GAUTSCHI may terminate the contract or parts of it, if the Supplier breaches the contract and fails to correct the situation after a reasonable extension has been granted (usually 14 days). A notification sent to the Supplier to remind him to fulfill his contractual responsibilities is considered the same as setting an extension. Changes of final and intermediate deadlines, unauthorized subcontracting, defects or other causes that may jeopardize the fulfillment of the contract between GAUTSCHI and their contract partners, are some of the reasons that constitute a breach of contract. In these cases, missing or incomplete supplies and services may be completed by GAUTSCHI or by a third party commissioned by GAUTSCHI, the costs of which will be borne by the Supplier. Any costs incurred this way are invoiced by GAUTSCHI directly to the Supplier or deducted from GAUTSCHI's next due payments.

Any further claims for damages which GAUTSCHI may have remain unaffected by this clause.

13. FORCE MAJEURE

The contract parties are relieved of their contractual obligations in full or in part if the non-fulfillment is due to force majeure.

The following is referred to as force majeure:

Fire, war, general mobilization, riots, acts of nature, embargoes and government sanctions.

Strike or lockout at the Seller's works or at the works of the Seller's contractors, as well as material and raw material shortages are expressly excluded from force majeure.

The party prevented from or delayed in performing its obligations under the contract due to force majeure is to notify the other party within five working days of the circumstances constituting force majeure with adequate evidence thereof. Both parties are released from their contractual obligations for the duration of the force majeure.

If the case of force majeure lasts for longer than three months, GAUTSCHI reserves the right to agree on a new delivery period with the Supplier or to declare the contract void.

Cases of force majeure in the country of GAUTSCHI's end-customer are considered force majeure under this contract.

14. MICELLANEOUS

The Supplier shall have no right of retention.

The Supplier may charge interest on late payments at a rate of 5% per annum.

GAUTSCHI and/or third party inspection agencies are allowed to check the progress of the work and carry out technical interim and final inspections (which includes wrapping, packaging for transport etc.) at any time at the offices, production facilities and warehouses of the Supplier and the Supplier's contractors during the various

stages of designing, scheduling, manufacturing and delivery, and may reject incorrect documentation and defective material. These checks and inspections do not absolve the Supplier from his responsibilities.

All of the Supplier's subcontractors, with the exception of suppliers of standard parts, must be approved by GAUTSCHI in writing.

Transfer of title to GAUTSCHI shall take place together with risk transfer.

Persons communicating with GAUTSCHI on behalf of the Supplier are considered to be fully authorized. The Supplier is liable for all additional expenses and extra costs incurred while completing the order, if the allocation of such costs is regulated neither by agreement nor by INCOTERMS 2020.

If the deadlines agreed on in the order should change, the Supplier provides and accepts all costs and risks for the storage of equipment for a maximum of six months. This also applies if the delay is beyond the Supplier's control.

All deliveries made to GAUTSCHI must be without reservation of ownership or rights of third parties. Such reservations are invalid even without GAUTSCHI's explicit objection.

The Supplier is responsible for his contractors and their compliance with the present terms and conditions. Notwithstanding the present terms and conditions, all of GAUTSCHI's legal rights shall remain intact.

GAUTSCHI reserves the right to withdraw from the unfulfilled part of the contract should the Supplier become insolvent, default on payment, or apply for or declare bankruptcy.

The Supplier shall maintain a product and general liability insurance with an insured sum reasonably applicable to the respective order and the Supplier shall present to GAUTSCHI upon GAUTSCHI's demand the cover note.

15. LOCATION OF FULFILLMENT, JURISDICTION, APPLICABLE LAW

Location of fulfillment is the delivery address given in our order.

If individual terms of the present document should be ineffective or unenforceable, all other terms remain binding ("Severability Clause").

The provisions in the present terms and conditions shall be governed by Austrian law. United Nations Convention on Contracts for the International Sale of Goods does not apply.

The place of jurisdiction is Linz, Austria.