

General Terms and Conditions (GTC) of LaserCladding Germany GmbH, Hamburg

1. Scope of application and deviating agreement

- 1.1 The following terms and conditions shall apply to all contracts with LaserCladding Germany GmbH and its affiliated companies (hereinafter also referred to as "we" or "Contractor"), in particular in connection with maintenance and repair orders, as well as for deliveries and other services relating to engines, pumps, assemblies or individual parts including planning, design, manufacture, rental of machines and machine parts (unless specified, hereinafter also referred to as "Subject Matter of the Contract"). They shall only apply if the customer is an entrepreneur (within the meaning of Section 14 of the German Civil Code (*Bürgerliches Gesetzbuch*, hereinafter also referred to as "BGB"), a legal entity under public law or a special fund under public law and if the Customer is acting in the exercise of its commercial or independent professional activity (hereinafter also referred to as "Customer").
- 1.2 These GTC shall apply in the version valid at the time of the Customer's order and as a framework agreement also for similar future contracts without having to refer to them again in each individual case.
- 1.3 Our GTC shall apply exclusively. Deviating, conflicting or supplementary general terms and conditions of the Customer (e.g. terms and conditions of purchase) shall only become part of the contract if and to the extent that we have expressly agreed to their applicability in writing. This requirement of consent shall apply in any case, for example even if the Customer's general terms and conditions are not expressly objected to an individual case or if we are aware of the Customer's general terms and conditions and supply goods or our services to the Customer without reservation.
- 1.4 Individual agreements made in individual cases at the time of or after the conclusion of the contract with the Customer (including ancillary agreements, supplements and amendments) shall in any case take precedence over these GTC. With the exception of managing directors or authorized signatories, our employees are not entitled to make agreements that deviate from written agreements or these GTC, unless they are authorized to do so on the basis of a power of attorney granted in writing and known to the Customer. Subject to proof to the contrary, a written contract or our written confirmation shall be authoritative for the content of individual agreements.

2. Offers and conclusion of contracts

- 2.1. Insofar as we have not expressly designated our offers as binding in the written form, they are subject to change and non-binding; in particular, we reserve the right of prior sale.
- 2.2. A Customer's order shall be deemed a binding offer of contract. A contract shall only be concluded upon confirmation in writing or in text form or by an act implying acceptance, such as the supply of goods or performance of the ordered service.
- 2.3. Drawings, illustrations, dimensions, weights or other information or data relating to the delivery of goods and performance of services shall only be binding if they are jointly specified and the binding nature is expressly agreed in writing.
- 2.4. We reserve all rights to all offers made by us as well as drawings, illustrations, calculations, brochures, catalogues, models, tools and other documents and aids provided to the Customer. These documents and things may only be used within the scope of what is contractually permitted; in particular, they may not be used for the reproduction of identical or similar products. They may not be made accessible to third parties, disclosed, used by the Customer

itself or by third parties or reproduced, either directly or in terms of content, without our express consent.

3. Estimation of costs for contracts for services and cost estimates for contracts to produce a work and contracts for work supply relating to non-fungible goods

- 3.1. Unless expressly agreed otherwise, we do not assume any liability for the correctness of any cost estimates submitted by us. They are generally non-binding. Prices are stated net in each case and are subject to the statutory value-added tax applicable at the time the service is rendered.
- 3.2. If, in the performance of work or work deliveries relating to non-fungible goods, a significant overrun of the cost estimate while the scope of performance remains unchanged is to be expected, we shall notify the Customer hereof without delay and obtain the Customer's consent before rendering any further services.
- 3.3. A significant overrun is generally not assumed if the overrun does not represent more than 10%, based on the estimated net final price of the cost estimate, with the scope of performance remaining the same.
- 3.4. The Customer shall be entitled to terminate the contract in the event of a significant overrun. In case of termination by the Customer, we are entitled to a partial remuneration corresponding to the services already rendered and reimbursement of expenses not included in the remuneration.
- 3.5. If agreed in the individual case, the Customer shall be invoiced for the services rendered and expenses incurred in order to prepare the cost estimate. If the contract is subsequently concluded, the preliminary work is compensated by the agreed remuneration.
- 3.6. Clauses 2.3 and 2.4 are applicable accordingly to cost estimates and attached documents.

4. Orders for inspections, maintenance, repairs, optimizations and other services

- 4.1. The scope of the respective inspections, maintenance, repairs, optimizations and other services shall be determined by the Customer. If this is not possible, we shall determine the scope of the services to be performed after consultation with the Customer. The services to be performed shall be specified in an order sheet or in an order confirmation. The expected or the binding time of performance shall also be specified here.
- 4.2. If it becomes apparent after acceptance of the order of the Customer and during the work that the Subject Matter of the Contract is not suitable for repair or is irreparable, we shall be entitled to invoice the Customer for the work performed up to this determination if this was not apparent at the time the order was accepted.
- 4.3. Unless otherwise expressly agreed with the Customer, we may also use, instead of original components, components manufactured for us, which are generally equivalent to or of better quality than the original components.
- 4.4. We are entitled to use vicarious agents for the provision of services.

6. Prices

- 6.1. If the customer is an entrepreneur (§ 14 Para. 1 BGB), the prices quoted are net ex works excluding sales tax, procurement expenses, freight and packaging, and in the case of personnel deployment also excluding travel expenses.
- 6.2. If the customer is a consumer (§ 13 BGB), we will show in the invoice the final price including sales tax.

6.3 All prices are in EUR.

7. Payments

- 7.1. Invoice amounts shall be paid within 14 days after invoicing without any deduction, unless otherwise agreed. Section 641 (1) of the German Civil Code (*BGB*) shall be applicable in the case of contracts to produce a work. The complete crediting of the invoice amount to the bank account specified in the contract or to the bank account notified in writing and by postal mail is required for timely payment to occur. Payments to other bank accounts do not discharge the debt. Payment by cheque or bill of exchange is not accepted.
- 7.2. Complaints or reclamations of the invoices issued shall be made within eight days after the respective invoice has been issued, unless the circumstances dictate otherwise. However, failure to give such notice shall not affect the rights of the Customer.
- 7.3. Offsetting against counterclaims of the Customer or the retention of payments due to such claims shall only be permitted insofar as the counterclaims are undisputed, acknowledged or legally established and in the case of offsetting against claims that are reciprocal to our claim. Furthermore, the Customer shall only be entitled to a right of retention insofar as the reason for the right of retention is based on the same contractual relationship.
- 7.4. If the Customer defaults on a payment, the statutory provisions apply.
- 7.5. In the case of extensive expenditure on materials and long-term work within the scope of orders according to clause 4 and the provision of services, we may at our discretion demand a reasonable advance payment as an advance on costs.

8. Place of performance, delivery and completion

- 8.1. Delivery of Subject Matter of Contract shall be Ex Works (Incoterms® 2020) from our factory in Hamburg, where the place of performance is also located, unless otherwise agreed.
- 8.2. Any deadlines for completion or dates for deliveries and services that we provide are always only approximations, unless a fixed deadline or date has been expressly assured or agreed. If shipment has been agreed, delivery periods and delivery dates refer to the time of handover to the forwarder, carrier or other third party commissioned with the transport.
- 8.3. Our delivery obligations are subject to correct and timely deliveries from our suppliers, unless we or our supplier are responsible for the incorrect or delayed delivery or we have committed ourselves to timely procurement in the individual case (guarantee).
- 8.4. We are not liable if the Customer changes or expands the scope of work originally agreed upon and the completion or delivery is delayed as a result. In this case, we will inform the Customer of a new completion or delivery date, providing reasons for the delay.
- 8.5. Unforeseeable, unavoidable events of force majeure beyond our control and for which we are not responsible, such as war, acts of terrorism, epidemics, natural disasters, strikes, lockouts, occupation of factories and premises, official measures, shortages of energy, materials or raw materials, fire and explosion damage, traffic and operational disruptions, acts of state (whether lawful or unlawful) or similar events release us for their duration from the obligation to deliver or perform on time. This also applies if these events occur at a time when we are already in default. Agreed dates/deadlines are postponed/extended by the duration of the disruption; the Customer shall be informed of the occurrence and end of the disruption in an appropriate manner. We are not obliged to procure

replacement goods from third parties. If the end of the disruption is not foreseeable or if it lasts longer than two months, each party is entitled to withdraw from the contract with regard to the affected scope of performance.

- 8.6. The completion or delivery time shall be extended, if necessary, by the time that the Customer is in default with the delivery of necessary parts to be provided by him. In this case, we are entitled to terminate the contract after the expiry of a deadline date we have specified and to invoice the Customer for the work already performed.

9. Passing of risk

- 9.1. If the the Subject Matter of Contract is shipped to the Customer or to a place specified by the Customer upon the Customer's request, the risk of accidental loss or accidental deterioration of the Subject Matter of Contract as well as the risk of delay passes to the Customer upon dispatch, at the latest upon handover of the Subject Matter of Contract to the respective transport person (whereby the beginning of the loading process is decisive). This also applies if partial deliveries are made or we have assumed other services (for example shipping, transport or installation). This applies regardless of who bears the freight costs.
- 9.2. If the dispatch or handover to the transport person is delayed due to a circumstance which has its cause with the Customer, the risk described in clause 9.1 passes to the Customer with the notification of readiness for delivery.
- 9.3. If collection on a specific date has been agreed or the Customer has been notified of the pick-up possibility at least 5 days in advance, the risk of accidental loss or accidental deterioration of the Subject Matter of Contract passes to the Customer on the agreed or notified collection date. During such a delay in acceptance, we are only responsible for intent and gross negligence.

10. Acceptance and fictitious acceptance

- 10.1. The acceptance of a work takes place at our premises, unless otherwise agreed.
- 10.2. A work is considered accepted if we have set the Customer a reasonable deadline for acceptance after completion of the work and the Customer has not justifiably refused acceptance within this deadline, stating at least one defect. The warranty period begins to run with this deemed acceptance.
- 10.3. If the Customer does not pick up the work after completion of the work within a reasonable period of time after completion of the work, it will be stored and, if necessary, conserved at the Customer's expense. During such an acceptance delay, we are only responsible for intent and gross negligence.

11. Retention of title

- 11.1. The delivered Subject Matter of Contract remains our property until full payment of all claims already accrued and future claims between us and the Customer arising from the entire business relationship with the Customer, including any balance demands from a current account relationship limited to this contractual relationship. In the event of breaches of duty by the Customer, in particular in the event of default in payment, we are entitled to withdraw from the contract if we have previously set the Customer a reasonable deadline for payment to no avail or if setting such a deadline is dispensable in accordance with the statutory provisions. The demand for surrender of the Subject Matter of Contract constitutes a withdrawal from the contract.
- 11.2. The Customer is obliged to carefully store, if necessary maintain and repair the Subject Matter of Contract delivered under retention of title at its own expense. He is obliged to insure the Subject Matter of Contract at his own

expense against fire, water damage, burglary, theft and damage. The Customer is further obliged to notify us immediately in writing or in text form of any damage to the Subject Matter of Contract.

- 11.3. If the Customer is a merchant, he is entitled to resell the Subject Matter of Contract in the ordinary course of business. In this case, however, the Customer hereby assigns to us the claims to which he is entitled against his customers (extended reservation of title). The same applies to other claims which replace the Subject Matter of Contract or otherwise arise with regard to the Subject Matter of Contract, such as insurance claims or claims in tort in the event of loss or destruction. We accept these declarations of assignment. The Customer shall remain entitled to collect these claims as long as he is not in default of payment towards us. If the Customer is in default of payment, we are entitled to revoke the right to resell the Subject Matter of Contract and to revoke the right to collect these claims in writing or in text form. In this case, the customer is obliged to provide us with all information, documentation and other documents which show against which customers we are entitled to claims based on the extended reservation of title, so that we are in a position to assert these directly against the customers.
- 11.4. If the Customer further processes the delivered Subject Matter of Contract, he agrees that the processing shall always be carried out for us. We shall acquire direct title to the new item. Pledges and transfers by way of security are not permitted.
- 11.5. If the Subject Matter of Contract is combined or mixed, we acquire co-ownership of the new object in the ratio of the value of the Subject Matter of Contract (amount stated in our final invoice including the value-added tax applicable at the time of performance,) to the value of the new object. Insofar as the other item is to be regarded as the main item, we and the Customer agree that the Customer transfers to us a proportionate co-ownership of this item insofar as the main item belongs to him. The Customer shall store this item for us free of charge.
- 11.6. If the securities to which we are entitled in accordance with the above provisions exceed the claims to be secured by more than 10% or the nominal amount of the reserved goods by more than 50%, we are obliged, at the request of the Customer, to release excess securities at our discretion.
- 11.7. Any parts, tools, measuring equipment or material provided by us remain our property. They shall be stored free of charge and with the care of a prudent businessman separately from the other things and marked as our property. They may only be used for the execution of our order. Damage to parts or material provided must be compensated.

12. Security right, realization, storage costs

- 12.1 The Customer and we agree that we are entitled to a contractual security right over all items - including items that are not the property of the Customer - that are manufactured or repaired by us with the knowledge and intention of the Customer and that have come into our possession. The security right extends to all claims to which we are entitled from the underlying contract.
- 12.2 If the Customer is in default of payment for a period longer than two months, we are also entitled, after prior written notice and after expiry of a further waiting period of four weeks, to realize the item by auction and, if market prices are available, by private sale. The customer is entitled to any proceeds from the sale in excess of our principal claim; in addition to the principal claim and the accrued interest, we are also entitled to deduct the costs incurred by the sale.
- 12.3 If we are unable to store the pledged item for operational reasons, we may demand reimbursement of the costs

arising from storing the item elsewhere.

13. Warranty for defects (*Mängelgewährleistung*)

- 13.1 Unless otherwise stipulated below, any warranty rights of the Customer shall be based on the provisions of the German Civil Code (*BGB*). Ordinary wear and tear, in particular impairments caused by external influences not based on the Subject Matter of Contract itself, shall not constitute a defect. The Contractor shall not assume any warranty in this regard. A specific quality of the object due to public statements made by us or a link of the contractual chain is not owed.
- 13.2 Claims under a right of recourse against us pursuant to Section 445a of the German Civil Code (*BGB*) are excluded unless we have been expressly notified prior to the conclusion of the contract that the Subject Matter of Contract is intended to be resold by the Customer.
- 13.3 If the customer is a merchant, the statutory obligations to inspect and give notice of defects pursuant to Sections 377, 381 (2) of the German Commercial Code (*Handelsgesetzbuch – HGB*) apply in the case of a commercial purchase. If the Subject Matter of Contract is intended for installation or other further processing, an inspection shall in any case be carried out immediately before installation or processing. If a defect becomes apparent upon delivery, inspection or at any later time, we must be notified thereof in writing without delay. In any case, obvious defects must be notified to us in writing within 3 working days of delivery and defects that are not apparent during the inspection must be notified within the same period of time after discovery. If the Customer fails to carry out the proper inspection and/or to give notice of defects, our obligation to accept liability for the defect that was not notified or not notified in time or not notified properly is excluded in accordance with the statutory provisions.
- 13.4 In case of rectification of defects, we are obliged to bear all expenses necessary for the purpose of rectification of defects, in particular transport, travel, labour and material costs in accordance with the statutory provisions, insofar as these are not increased by the fact that the item was taken to a place other than the place of performance.
- 13.5 The Customer must assert any warranty rights against us in writing or in text form.
- 13.6 The processing of individual contractual items takes place only to the agreed extent. The warranty for material defects does not extend to any functional capability of individual parts beyond this. These are not the subject of our warranty for material defects, unless otherwise agreed in writing. In particular, no durability guarantee is assumed without a separate written agreement.
- 13.7 If the Customer carries out the assembly or installation of the delivered Subject Matter of the Contract itself or has it carried out in accordance with the contractual obligations, there is no defect insofar as the Customer has not carried out the assembly or installation properly or has had the assembly or installation carried out improperly. Warranty rights and/or liability claims of the Customer are excluded in this regard.
- 13.8 In the case of delivery of used spare parts, the warranty for material defects is excluded and liability is determined exclusively in accordance with clause 14. This does not apply if the serviced item is to be qualified as a newly manufactured item.

14. Liability

- 14.1 Unless provided otherwise in this clause 14, claims of the Customer for damages and reimbursement of futile expenses against us, our executive bodies and legal representatives and/or vicarious agents are excluded, regardless of the legal grounds, in particular due to breach

of the contractual obligation and/or tort.

- 14.2 The exclusion of liability pursuant to clause 14.1 does not apply:
- for damages of the Customer resulting from injury to life, body or health;
 - for damages of the Customer caused by us, one of our legal representatives or vicarious agents through intent, gross negligence or the slightly negligent breach of essential contractual obligations (cf. clause 15.1);
 - within the scope of a guarantee promise, if this has been agreed;
 - for liability under the Product Liability Act (*Produkthaftungsgesetz*), insofar as applicable.
- 14.3 In the cases mentioned in clause 14.2, we are liable in accordance with the statutory provisions, whereby the scope of liability for the slightly negligent breach of material contractual obligations is limited to compensation for the foreseeable damage typical for the contract.
- 14.4. Insofar as we provide technical information or act in an advisory capacity and this information or advice is not part of the contractually agreed scope of services owed by us, it shall be provided free of charge and, apart from the provisions in clause 14.2, to the exclusion of any liability.

15. Statute of limitations

- 15.1. Claims for defects by the customer become time-barred within one year of acceptance or delivery of the item, unless other statutory regulations take precedence.
- 15.2 If the customer accepts a defective work while being aware of a material defect, he is only entitled to claims for material defects if he reserves the right to do so at the time of acceptance.
- 15.3. All other claims of the customer - for whatever legal reason - become time-barred 12 months after becoming aware of them.

16. Software usage

- 16.1 Insofar as software is included in the scope of delivery, the Customer is granted a non-exclusive and non-transferable right to use the delivered software including its documentation for an unlimited period of time. It is provided for use on the Subject Matter of Contract intended for this purpose. Use of the software on a device that is not the Subject Matter of Contract intended for this purpose is prohibited.
- 16.2 The Customer may only reproduce, revise, translate or convert the software from the object code into the source code to the extent permitted by law (Sections 69a et seq. German Copyright Law (*Urhebergesetz – UrhG*). The Customer undertakes not to remove manufacturer's information - in particular copyright notices - or to change them without prior express consent.
- 16.3 All other rights to the software and the documentation, including copies, remain with us or the software supplier. The granting of sublicenses is not permitted.

17. Export control

- 17.1 The Customer shall comply with the applicable export control and sanctions regulations, in particular those of the European Union (EU) and the United States of America (USA). The Customer shall inform the Contractor in advance and provide all information (including end-use) required for the Contractor's compliance with export control regulations, in particular if our products are ordered for use in connection with a) a country or territory, a natural or legal person, subject to restrictions or prohibitions under EU, U.S. or other applicable export control and sanctions regulations.
- 17.2 The Contractor's fulfilment of the contractual obligations shall be subject to the provision that the applicable export

control regulations do not conflict therewith. In such a case, the Contractor shall therefore be entitled in particular to refuse or withhold performance of the contract without any liability to the Customer. Access to and use of the delivered contract goods may only take place if the above-mentioned checks and safeguards have been carried out by the Customer; otherwise the Customer shall refrain from the intended export.

- 17.3 In the event that the Subject Matter of the Contract delivered by us is passed on to third parties, the Customer undertakes to oblige such third parties in the same way as in clauses 17.1 to 17.3 of these GTC and to inform them of the need to comply with such legal provisions.
- 17.4 In the event of agreed delivery outside the Federal Republic of Germany, the Customer shall ensure at its own expense that all national import regulations of the country of first delivery are fulfilled with regard to the respective Subject Matter of Contract.
- 17.5 The Customer shall indemnify the Contractor against all damages and expenses resulting from the culpable breach of the aforementioned obligations.

18. Secrecy and confidentiality

- 18.1 The Customer undertakes to treat as confidential all technical and business information and business secrets which are not in the public domain and that have been entrusted to him or become known to him as a result of the business relationship and to keep them secret from third parties during and after termination of the contract. Companies affiliated with the Customer within the meaning of Sections 15 et seq. German Stock Corporations Act (*Aktiengesetz – AktG*) shall not be deemed third parties within the meaning of this paragraph.
- 18.2 Observation, examination, dismantling or testing of a product (reverse engineering) supplied by us is prohibited.
- 18.3 The Customer may only advertise the business relationship with us with our prior written consent.

19. Final provisions

- 19.1 The exclusive place of jurisdiction for all disputes arising in connection with the legal relationship with the Customer shall be our registered office, if the Customer is a merchant, a legal entity under public law or a special fund under public law. Otherwise, the statutory provisions shall apply.
- 19.2 The law of the Federal Republic of Germany shall apply excluding the German conflict of laws rules and the provisions of the UN Convention on Contracts for the International Sale of Goods (CISG).
- 19.3 The contracts concluded in accordance with these terms and conditions shall remain binding for the Customer in all other respects even if individual provisions are invalid.