General Purchase Terms for DEUTZ Corporation

These General Purchase Terms for DEUTZ Corporation ("DEUTZ") shall apply exclusively to purchases by DEUTZ.

1. Variant Terms: Modifications, additions and SUPPLIER sales terms that differ from the terms below are rejected and can only be accepted if DEUTZ confirms them in writing. Acceptance of deliveries or services, or payment for them, does not constitute agreement with the SUPPLIER's sales terms unless such terms have been accepted in writing by DEUTZ.

2. Deliveries:

2.1. The SUPPLIER is to be notified of the quantities of PARTS TO BE SUPPLIED, arising from this order, that are to be delivered by means of a specific CALL-OFF. Each CALL-OFF is to be made about six (6) months in advance and give details of quantities and dates. The last CALL-OFF to be provided to the SUPPLIER will always be the valid one. CALL-OFFs are to be communicated to the SUPPLIER using remote data transmission in compliance with VDA standard 4905 or by fax or, in exceptional cases, by post.

As well as CALL-OFFS, individual orders of PARTS TO BE SUPPLIED may be made separately.

The quantities and dates given in the CALL-OFF are to be deemed to have been accepted if the SUPPLIER does not reject the CALL-OFF immediately, or at the latest two (2) working days after receiving the CALL-OFF.

Where the SUPPLIER foresees problems in providing finished or semi-finished products, or circumstances that are beyond their control which could impinge upon the dates or quality of the PARTS TO BE SUPPLIED, the SUPPLIER will notify the DEUTZ department where the order has come from.

2.2. To the extent that no other arrangement is expressly agreed, the following go-ahead timescales are to be applied to the quantities and dates given in the CALL-OFFS. During weeks 1 to 6 before delivery, the CALL-OFF constitutes a binding production go-ahead and order for the SUPPLIER; in exceptional cases, changes at short notice of up to +/- 15% can be made by DEUTZ. During weeks 7 to 16 before delivery, the CALL-OFF details are to be used by the SUPPLIER to plan and procure semi-finished products (go-ahead for purchasing input materials), but do not constitute a go-ahead for production or firm orders. Any details about quantities that are given in the CALL-OFFS and that fall outside the timescales described (from Week 17) are non-binding details for planning purposes.

DEUTZ reserves the right to adjust the dates and quantities given in the CALL-OFFS to actual requirements, and to also give the SUPPLIER additional orders for PARTS TO BE SUPPLIED.

2.3. The delivery dates given in the CALL-OFFS are binding and, in each case, indicate the day of delivery to goods inward at the delivery location in question.

The SUPPLIER should bear in mind the time required for transport and send the PARTS TO BE SUPPLIED, or advise the hauler to pick-up, at a sufficiently early point before the date agreed. If the SUPPLIER delivers the PARTS TO BE SUPPLIED earlier than five (5) days before the date given in the CALL-OFF, DEUTZ will charge the SUPPLIER with the pro-rata cost applicable to increased storage space (buffer storage) at DEUTZ.

If the SUPPLIER delivers more than the quantity stated in the current CALL-OFF or delivers without a current CALL-OFF and no follow-up CALL-OFFS are immediately available which DEUTZ can use to offset the delivery, DEUTZ will not pay for the delivered goods and return the quantity over-delivered back to the SUPPLIER, at SUPPLIER's cost, with an inspection report.

The SUPPLIER will be charged as follows for the increased use of resources entailed by DEUTZ:

Handling Costs	$65.00	per delivery
Goods Inward Inspection Costs	$100.00	per delivery

Where non-agreed transport is required and is not to be provided by DEUTZ, this cost is to be charged to the SUPPLIER.

This will also be the case where whole, sub-divided delivery batches are delivered in multiple part-batches.

2.4. if the SUPPLIER fails to deliver SUPPLIED PARTS on or before the agreed upon delivery date, or not more than five (5) working days after the agreed upon delivery date, and such failure is not caused by the acts or omissions of DEUTZ, then SUPPLIER shall be subject to a penalty for such late delivery, in addition to all other costs and expenses under this Contract. If SUPPLIER'S failure to deliver the SUPPLIED PARTS causes a partial or total shutdown of production by DEUTZ, as determined solely by DEUTZ using its commercially reasonable judgment, then, SUPPLIER shall incur a penalty depending on the severity of the shutdown. If DEUTZ is required to partially shutdown production of its product for any period of time less than eight (8) hours, SUPPLIER shall be charged a penalty of $1,800.00 per hour for each hour of lost production time. If DEUTZ is required to totally shut down production of its product, SUPPLIER shall be charged a penalty of $14,400.00 for each eight (8) hour period of lost production time.

2.5. The SUPPLIER will ensure that the goods are properly identifiable by using goods tags for each container in compliance with VDA standard 4902 and will arrange that the PARTS TO BE SUPPLIED have a satisfactory batch identification. Where technically possible, the SUPPLIER will notify DEUTZ of deliveries using remote data transmission, in compliance with VDA standard 4912. The annual order number and item number should always be provided. The same applies to invoices. The parts are always to be sent in compliance with the specific DEUTZ packaging instructions or the packaging instructions shown in the description of the PARTS TO BE SUPPLIED. The freight payer for empties is the party that pays for the full delivery. Unless there is evidence of greater damage, where the packaging instructions to be followed by the SUPPLIER are disregarded, a fixed sum of $65.00 per transport unit will be charged to the SUPPLIER.

2.6. Unless otherwise agreed, settlement of deliveries will be done using an automatic reconciliation and posting procedure based on the prices stored at DEUTZ and the posted goods inward quantities, in compliance with VDA standard 4908. In this case, SUPPLIER invoices are not required.

2.7. The prices quoted by SUPPLIER may be re-quoted at any time during the term of the Scheduling Agreement. The most recent quotation provided by the SUPPLIER and accepted by DEUTZ shall be the agreed purchase price. The prices quoted by SUPPLIER shall include all importation duties and tariffs and customs clearance charges. SUPPLIER shall comply with all importation requirements, including those under NAFTA, and shall provide all Certificates of Origin in accordance with 19 CFR 181.22 at its expense. Any costs incurred by DEUTZ for the goods to clear customs will be reimbursed to DEUTZ by SUPPLIER or DEUTZ shall offset such amounts from monies due SUPPLIER from DEUTZ.

2.7.1. The Certificates of Origin, which do not accompany the goods, must be sent within 14 days after request or dispatch of the SUPPLY PARTS to the following address: DEUTZ Corporation, 3883 Steve Reynolds Blvd., Norcross, GA 30093 USA

3. Terms of Payment / Financial Documentation:

3.1. Unless otherwise negotiated, DEUTZ' standard terms of payment are seventy-five (75) days month-end from the date of receipt of parts and invoice.

3.2. SUPPLIER shall provide to Buyer quarterly financial statements (including statements of cash flows) and bank account statements for the quarter. In addition, SUPPLIER shall provide annual audited financial statements within 6 weeks of the close of SUPPLIER's financial reporting year. DEUTZ retains the right to ask for financial statements and/or audited financial statements at any time.

4. Parts Identification / Tools:

4.1. The SUPPLIER shall only apply marks required by DEUTZ and/or other labels and/or identification and/or markings and shall not use their own labels.

The SUPPLIER acknowledges that they have no rights over the markings and identifiers required by DEUTZ.

4.2. DEUTZ has the right to identify the PARTS TO BE SUPPLIED as original DEUTZ parts and to market them in their own packaging.

4.3. In order to ensure that the capability to deliver is ongoing, the SUPPLIER will only change, scrap or give up ownership of the tools developed to make the PARTS TO BE DELIVERED, particularly molds, models and other devices, with the written agreement of DEUTZ. In any case, the SUPPLIER will give DEUTZ a right of first refusal to purchase the tools at a reasonable price before such are sold or destroyed.

4.4. DEUTZ shall grant a license to the SUPPLIER, under the deferred condition that the SUPPLIER becomes insolvent, to use tools owned by or paid for by DEUTZ (partially or fully) in exchange for a mutually agreed upon royalty for the limited use of the continued supply of PARTS TO BE SUPPLIED.

The SUPPLIER's claim against DEUTZ arising from these figures shall become due four (4) weeks after the SUPPLIER enters into insolvency.

5. Guarantee / Liability:

5.1. The SUPPLIER guarantees that the PARTS TO BE SUPPLIED are new, ~~and~~ without defects, meet the requirements of DEUTZ and are manufactured in accordance with and to the latest issued drawing specifications. In particular, the SUPPLIER guarantees that the specified properties of the PARTS TO BE SUPPLIED have been achieved and that there is compliance with the applicable version of DEUTZ's quality guidelines. SUPPLIER shall repair or replace any goods not meeting this guarantee and SUPPLIER shall pay for all expenses related thereto.

DEUTZ shall notify the SUPPLIER in writing of any defects in the PARTS TO BE SUPPLIED, as soon as these are identified during normal operations.

DEUTZ is entitled to ask either for rectification to be made free of charge or for delivery of PARTS TO BE SUPPLIED with no defects, likewise free of charge.

Where there is urgency, DEUTZ is also entitled to carry out the remedial work itself and charge it to the SUPPLIER or to have it done via a third-party or otherwise to procure a replacement. Where there is a delay in supply or a delay in rectification, or the warranty is not observed or there is a defect in the PARTS TO BE SUPPLIED, the SUPPLIER will make good to DEUTZ the expense and loss that arises, in particular the additional costs arising from inspecting, disassembling, reassembling and working on the PARTS TO BE SUPPLIED and/or the engine, and also any possible related transport, labor and material costs. Where DEUTZ claims that a defect is the SUPPLIER's responsibility, it is for the SUPPLIER to prove that they have not breached the guarantee.

5.2. If a FAULT in the PARTS is identified by DEUTZ at the DEUTZ plants, service providers or customers, SUPPLIER shall pay - without prejudice to the other claims of DEUTZ - the sum of $ 175.00 per FAULT notification as compensation for administrative expenses. The SUPPLIER can also be charged for any production downtime arising from defects associated with the supplied PRODUCTS, if DEUTZ determines the defect is the SUPPLIER's responsibility.Claims against defects, and thus also against the PARTS TO BE SUPPLIED, expire within 24 months after the engine going into commission or 36 months after delivery of the PARTS TO BE SUPPLIED to DEUTZ.

5.3. If the PARTS TO BE SUPPLIED are found to be defective before shipping, the SUPPLIER must ensure that these do not ship out to DEUTZ as part of regular shipment. A deviation request, form available on the DEUTZ website, can be submitted to supplier.quality.usa@deutz.com or to the DEUTZ Purchasing contact, if the supplier wishes to utilize these parts as part of upcoming shipments. The consent of DEUTZ is valid only if given in writing.

6. Quality:

6.1. The PARTS TO BE SUPPLIED must comply with the documentation upon which the contract is based, with DEUTZ company standards and technical specifications, with the legal provisions that are applicable in each case, with the pertinent regulations, rules and guidelines, DIN standards and other recognized and current technical regulations. The SUPPLIER is to implement quality control measures of an appropriate type and scope and use a quality management system that reflects the current state of art.

6.2. SUPPLIER shall make a declaration of Conflict Minerals to DEUTZ as per Section 1502 of the Dodd-Frank Act, the Conflict Minerals Rule. SUPPLIER shall confirm that they have a Conflict Minerals Policy in place and agree that should they deviate from this policy, notification shall be provided by the SUPPLIER to DEUTZ in writing within three (3) working days of the deviation. Proof of SUPPLIER's Conflict Minerals Policy is to be supplied to DEUTZ.

6.3. DEUTZ is entitled to check the SUPPLIER Quality Assurance system, at any time during normal business hours at the SUPPLIER'S facility, by means of system, process and product audits, giving the SUPPLIER at least 24-hour notice of such audit. SUPPLIER must carry out immediately the improvement and/or corrective action required if such action is shown to be necessary by such checks/audits.

6.4. If SUPPLIER plans to make any of the following changes, modifications to PARTS, the processes used at SUPPLIER, the technical data, materials, quality criteria, production facilities or subcontractors, particularly any change to the SPECIFICATION, they must submit an engineering process change request (EPCR) without undue delay. The EPCR form is available on the DEUTZ website. The completed document is to be sent to supplier.quality.usa@deutz.com or to SUPPLIER's named contact in the DEUTZ Purchasing department. The consent of DEUTZ is valid only if given in writing.

6.5. It is the responsibility of the SUPPLIER to ensure their processes, and Quality Management Systems follow DEUTZ Supplier Quality Manual, available on the DEUTZ website. Any deviations to the published DEUTZ Supplier Quality Manual should be documented in writing.

7. Product Liability: SUPPLIER shall defend, indemnify and hold harmless DEUTZ from any liabilities, claims, costs and expenses (including attorney's fees) arising from or related to bodily injury or property damage, breach of warranty by SUPPLIER, or otherwise related to the goods.

8. Confidentiality / Rights / Exclusivity: All types of documentation that DEUTZ provides to the SUPPLIER, such as specimens, drawings, models, data and the like, and all other information provided by DEUTZ, shall not be revealed to third parties or given to third parties, unless they are recognizably intended for public use. Products that have been produced based on documents such as drawings, models and similar drawn up by DEUTZ, or based on confidential information belonging to DEUTZ or using DEUTZ tools or tools under license, shall not be used by the SUPPLIER themselves or offered or supplied to third parties. The SUPPLIER is only to have PARTS TO BE SUPPLIED manufactured by third parties with DEUTZ's written agreement.

9. Third Parties' Patent and Trademark Rights: The SUPPLIER is responsible for domestic and international patent and trademark rights not being infringed by the manufacture, supply and use of the PARTS TO BE SUPPLIED. Where a claim is made against DEUTZ for infringing patent or trademark rights, the SUPPLIER is obliged to defend, indemnify and hold harmless DEUTZ from such claims when first requested to do so in writing. The SUPPLIER's obligation to release DEUTZ relates to all expenditure that necessarily accrues to DEUTZ out of or in connection with the claim made by a third party.

10. Force Majeure: In the case of acts of God, industrial action, interruptions to operations with no blame attached, disturbances, regulatory measures and other unavoidable events, DEUTZ is entitled to withdraw either partly or fully from firm orders or the contract, to the extent that these result in a significant decrease in DEUTZ's requirements.

11. Period of Validity:

11.1. This contract's period of validity is automatically extended by 12 months at a time, unless one of the parties does not cancel the contract at 6 months' notice prior to its expiry.

11.2. This is not a requirements contracts and DEUTZ is under no obligation to buy the PARTS TO BE SUPPLIED from SUPPLIER.

12. **Place of Fulfillment / Jurisdiction:** All disputes arising from or related to this contract or the goods shall be governed by Georgia law, without regards to its conflict of law provisions. The parties consent to the exclusive jurisdiction of the courts in Atlanta, Georgia. The Hague Uniform Sales Law, the unified UN sales law or other conventions or treaties relating to the sale of goods law shall not apply to this contract.

13. **Environmental Requirements**

13.1. SUPPLIER shall comply with all existing, modified and upcoming environmental laws. As guidance, we recommend the use of GADSL (https://www.gadsl.org/). Complying with environmental laws is a joint initiative of DEUTZ and its subcontractors that is intended to foster DEUTZ's vision of an eco-friendly future.

13.2. SUPPLIER is responsible for selecting materials that are suitable for the components of the PARTS in a manner that ensures compliance with environmental laws.

13.3. SUPPLIER shall at its expense comply with all applicable statutes, laws, rules, regulations, codes, ordinances, judgments, decrees, writs, orders or the like, of any national, federal, provincial, state, local or other governmental authority, and the interpretations thereof, including, without limitation, any statute, law, rule, regulation, code, ordinance, judgment, decree, writ, order or the like, regulating, relating to or imposing liability or standards of conduct concerning: (i) the performance of any portion of the work and the operation of SUPPLIER's operations; (ii) safety and the prevention of injury to persons and the damage to property on, about or adjacent to the SUPPLIER's location where any portion of the work shall be performed; or, (iii) protection of human health or the environment or emissions, discharges, releases or threatened releases of pollutants, contaminants, chemicals or industrial, toxic or hazardous substances or wastes into the environment including, without limitation, ambient air, surface water, ground water or land or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport, or handling of pollutants, contaminants, chemicals, hazardous materials or other industrial, toxic materials or wastes, as now or may at any time hereafter be in effect.

13.4. SUPPLIER assumes responsibility inter alia for all obligations under the environmental laws specified above and all associated expenses.

13.5. International Material Data System (IMDS)/Compliance Data Exchange System (CDX). SUPPLIER shall, at no additional costs, register in the CDX (DEUTZ Org. ID: 18523) and/or IMDS (DEUTZ Org. ID: 485) system and send to DEUTZ the information about the substances of the material used in the PARTS (material data sheets) through this/these system(s). This shall happen at the latest two weeks prior to the agreed sampling date. Then, DEUTZ will approve the material data sheet or reject it (e.g. because of formal mistakes or non-conformity with environmental laws) and notify SUPPLIER through the CDX/IMDS system(s). In case of rejection, SUPPLIER shall correct the material data sheet or, if the rejection was because of a non-conformity, assess whether it can supply PARTS that are in conformity instead.

DEUTZ needs SUPPLIER's information in the CDX/IMDS system(s) in order to approve initial samples. In case DEUTZ rejects the material data sheet and SUPPLIER cannot correct the problem within an appropriate time frame, DEUTZ reserves the right to decline approval of the initial sample.

SUPPLIER shall allow DEUTZ to transfer material declarations available in IMDS to other reporting systems such as CDX or CAMDS systems, based on IMDS Terms of Use (6) (b) and (7) (c).

13.6. Conflict Minerals. In order to support the responsible sourcing and procurement of minerals in the supply chain, SUPPLIER shall conduct responsible country of origin inquiries in its supply chain according to the guidelines of the OECD framework and send to DEUTZ, upon request, a Conflict Minerals Report no later than end of October of the respective year. This concerns the minerals gold, tin, tantalum and tungsten and their derivatives in connection with their origin from the region of the Democratic Republic of Congo and adjoining countries.