

**General Terms and Conditions of Purchase  
of REpower Systems SE  
(hereinafter referred to as "the Client")  
for Work and Services**

**1. Area of Validity**

These General Terms and Conditions of Purchase apply to a person exercising their commercial or independent professional activities (businesspersons) at the time of conclusion of the contract, legal persons under public law and public law entities with special public funds.

**2. General Information**

1. These conditions, as well as any separate contractual agreements, form the exclusive basis for all work and services. Any other terms and conditions of the Contractor shall not become part of this contract, even if the Client takes orders for or accepts work and services. They shall also not apply, even if, in individual cases, they have not been explicitly excluded.

2. The Client develops, manufactures and markets wind turbines, both according to customer specifications as well as standard and series products in Europe, the USA, Canada, India, China, Japan and Australia (hereinafter referred to as the "Relevant Market"). This is complemented by a comprehensive range of service and maintenance products.

**3. Work or Services, Conclusion of Contract**

1. A work or service is the work or service specified or described in further detail in the offer and/or purchase order, including the documentation listed in the service description and/or specifications (hereinafter referred to as the "Work or Services").

2. If the Contractor does not accept the order within 10 working days following receipt ("Order Confirmation") then the Client shall be entitled to cancellation, without this entitling the Contractor to any claims for damages.

3. The Client can demand changes to the Work or Services, insofar as these changes may be reasonably expected of the Contractor. In this respect, any consequences, in particular relating to additional or reduced costs, must be appropriately addressed by mutual agreement. In this case, Number 11.2 of these General Terms and Conditions shall apply.

4. Should the Order Confirmation deviate from the purchase order, the Client shall only be bound if he has expressly approved the deviation in writing. In particular, the Client is only bound to the Contractor's General Terms and Conditions of Business insofar as these meet his conditions or he has expressly agreed to them in writing. The acceptance of work and services as well as payment does not imply agreement.

**4. Performance of Work or Services**

The Contractor shall perform the work or services forming the subject matter of this contract using his own employees. The passing on of orders to third parties or the awarding of subcontracts is prohibited without the prior written agreement of the Client and entitles the Client to withdraw in full or in part from the contract and demand compensation for damages. At the request of the Client, the Contractor shall provide evidence of the existence of required work permits in the case of non-German employees.

**5. Duty to Inform**

Unless expressly otherwise agreed, the Contractor shall inform the Client on the progress of the works being undertaken for the Client.

**6. Dates and Deadlines for Work or Services, Delay**

1. Agreed dates and deadlines are binding. The Contractor shall inform the Client immediately in writing if circumstances arise or become apparent as a result of which the agreed time of performance cannot be complied with.

2. If the Contractor is unable to carry out or carry out in time the Work or Services, then he shall be deemed to be overdue from the first day after exceeding the agreed date of performance without any further reminder.

3. In the event of delay by the Contractor, the Client is entitled to demand a contractual penalty in the amount of 0.3 % of the value of the work or service subject to delay for each new working day commenced, up to a maximum of 5 % of the total order value. The contractual penalty is to be charged to the total asserted loss caused by the delay. The Contractor retains the right to submit evidence that no loss or a smaller loss has been incurred.

The preceding provision does not provide release from the duty to supply and provide the work or service. The contractual penalty may be enforced until the final payment of the invoice submitted by the Contractor.

4. If set deadlines are exceeded, the Client shall also be entitled to withdraw from the contract.

5. This does not affect any further claims or rights.

**7. Rights and Possibilities of Use**

1. The results of the work or services (hereinafter referred to as "Results") become the property of the Client on their production, and this in the respective processing state they have reached. Until transferred, the Contractor shall be the custodian of the Results for the Client. The Client is entitled to the exclusive, assignable, sublicensable, global right, unrestricted as to content and time, to make use of the Results himself or through third parties as it may deem fit, to duplicate, modify and, even in a form adapted by the Client, make public, publish or exploit.

2. If the Results contain patentable inventions or ideas, the Client is entitled at its own discretion and in its own name - while including the name of the inventor in accordance with the applicable statutory provisions - to apply for intellectual property rights in any country, maintain these or drop them at any time. Any intellectual property rights arising from such applications are the property of the Client.

3. The Contractor shall have a duty to ensure that inventions or ideas arising during performance of the work or services are transferred to the Client at no cost to the Client.

4. The Contractor shall ensure, by means of a contract, that in relation to its employees, freelance workers or third parties, insofar as it makes use of these in performing work and services in compliance with Number 7.1, that the Client is exclusively entitled to the rights specified in Numbers 11.1 and 11.2 without any time restrictions, and that these rights are also not affected by an ending of the contracts between the Contractor and the third parties. Otherwise, the Contractor shall compensate the Client for all resulting damage and expenses, including the costs for appropriate legal defense, and pro tanto release the Client from claims by third parties, unless the Contractor is not responsible for this.

**8. Collaboration Between the Contract Parties**

1. The Contractor shall receive from the Client all texts, documentation, information and data in the agreed data format required to perform the work and services in the view of the Client, insofar as these are not otherwise

accessible to the Contractor. If the Contractor considers the information insufficient, he shall inform the Client of this immediately.

2. The Contractor shall perform the work or services in accordance with the latest state of science and technology, and of terminology and the art of translation in the case of translation services, in order to achieve the best possible result. He shall perform the work and services with the utmost care and comply with the instructions of the Client, for example with regard to terminology and layout. However, the Client is not authorized to issue instructions to the Contractor's employees under the terms of this contract.

3. Every contract party shall nominate a specialist to the other who shall make decisions related to the performance of the agreed work and services.

### 9. Travel Costs

Subject to a regulation elsewhere in the offer or purchase order, the following shall apply:

the Contractor's travel and overnight costs will be reimbursed if employees of the Contractor undertake trips for which the Client has provided prior agreement, in written form or by e-mail, to bear the costs. Reimbursement of the (net) travel and overnight costs shall in these cases only be made on presentation of the corresponding original receipts, a declaration of the input tax amounts on them (with the exception of flat rates and mileage allowance) and following deduction of the possible input tax amounts as follows:

Train	Second class
Plane	Economy Class
Mileage allowance	According to the guidelines of the tax authorities
Overnight flat-rate	According to the guidelines of the tax authorities or, in agreement with the project manager/coordinator on presentation of corresponding copies of receipts, higher overnight costs.

The most appropriate and cheapest means of transport must always be selected in consideration of the urgency of travel.

### 10. Payment

As payment for his work or services and the rights granted to the Client, the Client shall pay the Contractor the agreed amount following proper and on-schedule performance of the work or services.

### 11. Invoices, Prices

1. Original copies of invoices must always be sent in writing to the given invoice address. Interim, partial, partial final and final invoices must be indicated as such and consecutively numbered. Invoices not separately designated will be treated as final invoices. Invoices must always contain the Client's order number and associated item number and be issued in duplicate.

2. Unless the parties have agreed otherwise (for example on provision of evidence), the agreed price is fixed and rules out any further charges. The fixed price does not include statutory sales tax, which must be declared separately on the invoice.

3. The invoices must include the order number and the numbers of each individual item. The invoices are not payable if this information is missing. Invoice duplicates must be marked as duplicates. Insofar as payment by hours has been agreed, timesheets countersigned by the Client shall be enclosed with the invoice.

### 12. Payments

1. Unless otherwise agreed, payments are due net within 75 days.

2. The payment period commences once the work or service has been rendered in full and the Client has received the proper invoice. Insofar as the Contractor is obliged to make material tests, test records, quality-assurance documents or other documentation available, the completeness of the work or service also presupposes the receipt of this documentation by the Client. Payment discounts are also permissible if the Client offsets or retains payments in an appropriate amount on account of defects; in the latter case, the payment period commences once the defect has been rectified in full. For agreed partial payments, the payment period commences on the day an auditable partial payment invoice is received. For agreed partial payments, a final invoice pursuant to the requirements of the Client must be submitted and marked as such.

Insofar as the Contractor is a businessperson, the Client shall only be in default if the Client does not pay following a reminder by the Contractor issued following the payment due date.

3. Payments do not imply any recognition of the work or services as being in accordance with the contract.

4. Advance payments of any type whatsoever are excluded.

### 13. Return of Documentation

The Contractor shall return all documentation and other resources which he has received or created in connection with the purchase order, including copies, immediately following inspection and approval or transfer of the Results or, insofar as the nature of the Results does not allow for inspection and approval or transfer, after executing the agreed work or services.

### 14. Warranty

1. The Contractor guarantees that the work or services are free of defects, fulfill the guaranteed data and properties, comply with the agreed specifications, drawings, samples and/or descriptions, the legal regulations and standards expressly stated in the specifications and pertinent in the Relevant Market, contain no design faults, are of the contractually agreed quality, are suitable for the purpose or use intended by the Client and have been manufactured in accordance with the state-of-the-art at the time of production. Approval notes by the Client on drawings and specifications do not release the Contractor from the guarantee.

2. The Contractor also guarantees that in return for payment in full of the contract price the Client acquires full and unencumbered ownership of the supplied Work or Services and that supplied Work or Services do not represent any infringement of third party intellectual property in the Relevant Market, in particular of any copyrights, patent, utility model or license rights.

3. For services as defined in German law, the warranty period is 24 months from provision of the Service in full. For work, the statutory warranty applies. This particularly applies to work on building structures.

3. Claims for material defects become time-barred after three years, insofar as the law does not provide for a longer period.

4. Claims for defects of title become time-barred after five years, insofar as the law does not provide for a longer period.

5. Work is subject to inspection and approval testing following provision by the Contractor. On conclusion of the approval and inspection process, the Client shall accept the inspection and approval of the work or service in

written or other suitable form, insofar as the work or service is free of defects.

6. Should it arise that the Contractor's work or services contain defects, the Contractor will either rectify these at its own cost within an appropriate period of time or, at the choice of the Client, perform his work or services again and without defects. If the Contractor does not rectify the defects despite an appropriate grace period having been set or provide the work or services again and without defects, the Client may withdraw from the contract or appropriately reduce the payment or rectify or have rectified the defect at the cost of the Contractor and demand compensation for damages in place of the work or service.

7. A current warranty period is extended by the period of business interruption for Works or Services or parts thereof, which could not continue to be utilized due to a warranty defect. The warranty period is suspended from receipt of the notification of defects.

8. This does not affect the rights to further or other claims.

#### **15. Product and Environmental Liability**

1. If a claim is made against the Client on the grounds of breach of the pertinent safety regulations, regulations under environmental law or of national or foreign product liability provisions for the defectiveness of its Work or Services, which are attributable in whole or in part to the work or services of the Contractor, the Client is entitled to demand reimbursement from the Contractor for the losses incurred as a result or the Contractor is obligated to indemnify the Client against all and any third party claims for damages arising herefrom, at first request.

2. If the delivery includes goods which are to be classified as dangerous goods in accordance with international regulations, the Contractor shall inform the Client of this no later than the time of order confirmation in a form agreed by the Contractor and Client.

#### **16. Intellectual Property and Copyrights**

1. The Contractor shall guarantee that the Work or Services supplied do not infringe the intellectual property rights of any third parties in the Relevant Market, and in particular that they do not infringe any copyrights, patents, utility model or license rights. If a claim is made against the Client by a third party on the basis of such a breach, the Contractor is obligated to indemnify the Client against such claims at its first written request insofar as the Contractor was to blame for the legal infringement. The Contractor's indemnification obligation relates to all direct and indirect damage/losses, costs and expenses, which are necessarily incurred by the Client as the result of or in connection with the claim by a third party, including the necessary costs for pursuing legal proceedings.

2. In the event that the parties acquire any patentable results whatsoever within the framework of their collaboration (patents, utility models or design patents) the creation of which involved the two parties, these results are to be registered jointly as a protected right in the names of both parties unless the parties have concluded an agreement otherwise between them and/or with the respective inventors involved. To this end, the parties will supply each other with all the necessary information and refrain from any actions which could be prejudicial to the issue or maintenance of the registered protected rights. The parties will inform each other in writing without delay if such results are created and in particular agree on the respective shares for the inventor/s, how costs are to be shared, the use of and coordination of the application for protected rights. If the parties are unable to reach a corresponding agreement, then use of the joint protected rights outside the performance of this contract is only

permitted with the prior written consent of the respective other party.

Insofar as the parties have reached no agreement to the contrary between them and/or with the respective inventors involved, the parties undertake to utilize the inventions forming the basis of the joint protected rights and to act in accordance with the respective, pertinent, national provisions relating to employee inventions.

The Client shall have an irrevocable and comprehensive but not exclusive right of use to the results which have been developed exclusively by the Contractor in connection with the Work or Services, free of charge and without restrictions in terms of time or territory.

#### **17. Confidentiality**

The parties shall be obliged to treat all commercial and technical information obtained from the respective other party during the course of their business relationship as confidential and as a business secret unless this information had already entered the public domain independently of the party respectively obliged to maintain confidentiality. Specifications, drawings, models, templates, samples and similar objects may only be disclosed or made accessible to third parties if the party which owns them provides prior written agreement. The same also applies to duplication of these objects.

2. The Contractor is also permitted to pass on information provided to him by the Client to performance and vicarious agents, providing the Contractor has obtained from these persons a prior confidentiality undertaking as specified in this Number 17 and informed the Client in writing which information is intended to be forwarded to which performance and vicarious agents. If this is done, the corresponding vicarious and performance agents are not be understood as third parties under the terms of this Number 17.

3. The regulations contained in this clause shall remain in force beyond the end date of the individual contract.

4. If the parties have concluded a confidentiality agreement with regard to the object of the contract, this shall take precedence over the regulations in this clause.

5. All information, samples, drawings, models, tools, molds etc. received in physical form or stored on a data carrier must be returned to the respective other party at its written request. The obligation to return information also applies to any duplicate, copy or other record, in particular those stored on data carriers. At the written request of the respective other party, the information must be destroyed or deleted and written proof of this destruction or deletion furnished. This provision does not apply to information which the receiving party must keep in safe custody in pursuance of statutory or official regulations.

6. The Client is entitled to translate the documents specified in the order specifications, to be supplied by the Contractor in accordance with the respective contract, at his own risk and forward them as documents marked as from the Contractor to his own customers. The said documents also remain with these customers after the end of the respective supply contract and are subject to a duty of confidentiality relating to this agreement with the respective customer.

#### **18. Right of Termination; Consequences of Termination**

1. In the event of an early termination, the Client shall pay for work or services provided until the time of the ending of the contract as well as further costs as can be proven to have accrued and which have resulted directly from the contract, less any saved expenses. The Contractor shall not be entitled to further claims for performance or damages in connection with the termination.

2. The right to special termination shall not be affected hereby. Grounds for special termination for the Client exist in particular if the Contractor breaches the duties incumbent on it under this contract, or the initiation of insolvency proceedings on the assets of the Contractor has been applied for, or the insolvency proceedings on the assets of the Contractor are opened or dismissed due to a lack of funds.

3. In this case, the Client may make use of the existing equipment or work or services already performed by the Contractor in order to facilitate continued provision of the work or services in return for appropriate payment.

#### **19. Code of Conduct for the Contractor**

1. The Contractor shall have a duty to comply with the laws of the applicable legal system(s). In particular, it shall have no part, either actively or passively, directly or indirectly in any form of bribery, violation of the fundamental rights of its employees or child labor. The Contractor shall also assume responsibility for the health and safety of his employees in the workplace, comply with environmental protection laws and XX.

2. The Contractor shall provide the required organizational instructions and measures, in particular in the areas of protection of property, business partner, staff and information security, packaging and transport to guarantee safety in the supply chain in accordance with the requirements of relevant internationally recognized initiatives on the basis of the WCO SAFE Framework of Standards (e.g. AEO, C-TPAT). It shall protect its deliveries and work or services to the Client or from third parties specified by the Client from unauthorized access and manipulation. The Contractor shall use only reliable staff for such deliveries and work or services and shall impose a duty on any subcontractors to also take corresponding measures.

3. Should the Contractor culpably breach these duties, the Client shall be entitled, irrespective of further claims, to withdraw from the contract or terminate the contract. Insofar as a rectification of the breach of duty is possible, this right may only be exercised following expiry of a reasonable period of time for rectification of the breach of duty without success.

#### **20. References**

The Contractor shall have a duty only to name the Client as a reference and/or to advertise with work or services or products which he has developed for the Client as part of the contractual relationship with the Client with the express prior written permission of the Client.

#### **21. Retention of Title**

The Client may resell, combine, amalgamate or process, pledge or assign as collateral Work or Services subject to retention of title in the normal course of business. Otherwise, this is only permitted with the written consent of the Contractor.

#### **22. Liability**

The Contractor shall be liable for compensation of loss sustained by the Client directly or indirectly as a consequence of a defective (inadvertent, moderate and gross negligence and intention) work or service due to culpable (inadvertent, moderate or gross negligence or intention) infringement of other contractual duties, whether principal or ancillary, or on any other legal grounds attributable to the Contractor.

#### **23. Final Provisions**

##### **1. Assignment of rights and duties**

Transfer of the Contractor's rights and duties under a Contract to third parties, whether wholly or in part, shall

only be possible with the prior written agreement of the Client. This approval may only be refused for good cause.

##### **2. Right of retention**

The Contractor has no rights of retention, insofar as such rights arise from counterclaims from other legal transactions with the Client.

##### **3. Offset**

The Contractor can only offset or assert a right of retention against those claims, which have been explicitly admitted in writing by the Client or have become *res judicata*.

##### **4. No waiver**

No development of business taking place between the Client and the Contractor and no delay or omission by the Client in respect of the exercising of a right or appeal granted under a contract shall be deemed a waiver of these rights. Any right or legal remedy granted in a contract is cumulative and exists in addition and supplementary to the other statutory rights and legal remedies.

##### **5. Amendments to contract**

Amendments and/or supplements to a contract shall only be valid if they are in writing. The same applies to the requirement for the written form itself.

##### **6. Written form**

Insofar as written form is prescribed in this Contract, this requirement shall also be fulfilled through transmission by e-mail or fax. This also applies to notice of termination or rescission of a contract, amendment or addition to this contract or an individual contract as well as for the realization of, amendment or addition to an individual contract.

##### **7. Severability clause**

Should any individual provisions of these General Terms and Conditions of Purchase or parts thereof be or become ineffective or contain a lacuna, the other provisions shall remain effective. The Parties shall have a duty to replace the ineffective provision immediately with an effective provision which shall approach as nearly as possible to the commercial intention of the ineffective provision. Should this not succeed, the relevant statutory regulations shall apply.

##### **8 Place of performance**

The place of performance is the registered office of the AG. Another place may be agreed for the work or service.

##### **9. Applicable law, place of jurisdiction**

German law applies exclusively to all disputes arising from this contract to the exclusion of German international private law and the United Nations Treaty on Contracts for the International Sale of Goods (CISG).

The place of jurisdiction, as far as legally permissible, shall be Hamburg, Germany.