

General Terms and Conditions of Purchase

Status: June 2018

1 Area of Application

1.1 Our General Terms and Conditions of Purchase (AGB) apply exclusively to companies within the terms of § 14 of the German Civil Code (BGB), meaning any natural or legal persons which sell goods or services for a commercial or professional purpose.

1.2 Any other conditions of the supplier only apply when and in as far as we expressly accept them in writing. In particular, our silence regarding deviating provisions of this type is not to be considered recognition or approval, also not for future agreements.

Our General Terms and Conditions of Purchase apply instead of any commission, delivery, service and sales conditions of the supplier even if acceptance of the order assumes the unconditioned recognition of the commission, delivery, service and sales conditions of the supplier or, following notification of the supplier regarding the validity of his general commission, delivery, service and sales conditions we accept the goods, except in cases where we explicitly waive the application of our General Terms and Conditions of Purchase. The exclusion of the General Terms and Conditions of Business of the supplier also applies when the General Terms and Conditions of Purchase do not contain any separate regulation of individual items for regulation. On accepting our order, the supplier explicitly waives any rights of objection derived from his commission, delivery, service and conditions of sale.

1.3 Our General Terms and Conditions of Purchase also apply for all future business between ourselves and the supplier.

2 Offers and Offer Documents

2.1 The supplier is obliged to accept our order within a period of 2 weeks.

2.2 We retain property rights and copyright in respect of illustrations, drawings, calculations and other documents; they must not be made accessible to third parties without our explicit, written approval. They are exclusively intended for use for production based on our order; when the order has been fulfilled, they must be returned to us without the need for a request. They must remain undisclosed to third parties, otherwise the supplementary provision explained in Item 9.5 applies.

3 Prices and Terms of Payment

3.1 The price specified in the order is binding. All prices are understood to be "free domicile" and always in net Euro, including sea or air freight transport packaging, freight, post paid and, as far as a transport insurance was agreed, insurance costs and Value Added Tax (where legally applicable) in the respective, legally prescribed amount, including any country-specific duties

on delivery in countries other than the Federal Republic of Germany, and including any customs duties and other fees and public taxes due for the delivery/service.

- 3.2 In the case of an agreed financial transfer, the day of payment is considered the date the money is received by the supplier or the credit received on his account or the account of the paying agent specified by the supplier. In the case of an agreed transfer/post of check, the day of payment is considered the date of transfer or mailing.
- 3.3 We can only process invoices when these contain the order number indicated on our order form – corresponding to the instructions in our order; the supplier is responsible for any consequences of failure to comply with this obligation where there is no proof that he is not responsible.
- 3.4 Where nothing else has been agreed in writing, we agree to pay the net purchase price within 14 days of delivery and receipt of the invoice with 3% discount or within 30 days of receipt of the invoice.
- 3.5 The supplier is authorized to increase prices unilaterally and reasonably where material procurement costs and/or production costs, wage and ancillary wage costs, social security costs as well as energy costs and costs due to environmental charges are increased, and/or in the case of currency fluctuations and/or changes of customs duties and/or freight rates and/or public dues, if these directly or indirectly affect the production or purchasing costs or costs of our agreed services and if more than four months elapses between conclusion of the contract and delivery. An increase in price under the above terms is excluded where the increase in costs of individual or all of the aforementioned factors is offset by a cost reduction of other specified factors in respect of the overall cost burden for the delivery. If the above cost factors are reduced, without the cost reduction being offset by an increase in other cost factors mentioned, the cost reduction must be transferred to us within the scope of a price reduction.
- 3.6 When a delay begins, default charges at a rate of 5 percentage points above the respective basic interest rate of the European Central Bank will be applied at the due date of the demand for payment. The supplier retains the right to assert claims for further damages.
- 3.7 We are entitled to rights of offset or retention to the extent as defined by law.

4 Delivery Times

- 4.1 The delivery time/delivery date specified in the order is binding.
- 4.2 The supplier is obliged to inform us immediately and in writing – and verbally in advance – if circumstances arise or become apparent from which it can be assumed that the work performance/delivery date cannot be realized. This also applies when the supplier is not responsible for the delay in delivery/performance.
- 4.3 In the case of delay of delivery, we are entitled to assert statutory claims. This particularly applies to our entitlement to assert claims for damages after a reasonable extension to the deadline has expired to no effect and we request withdraw instead of receiving the service. If

we demand compensation, the supplier has the right to provide evidence he is not responsible for violating any obligations.

- 4.4 If a delivery or service is provided earlier than agreed, we reserve the right to return the goods at the cost of the supplier or reject fulfillment of the work performance or reject delivery. If there is no return of goods directly on delivery, the goods must be put in storage until the scheduled delivery date at the cost and risk of the supplier.

5 Transfer of Risk and Documents

- 5.1 Where nothing else has been agreed in writing, the delivery occurs delivered duty paid (DDP) Incoterms 2010.
- 5.2 The choice of transport route and means of transport lie with the supplier in the event there is no other agreement on the agreed dispatch. The supplier must, however, make every effort to take our requirements into account with regard to the type of shipment and transport route without there being any definite demands in this respect. Any resulting extra costs – even with agreed freight free delivery – are charged to us as are the transport and insurance costs. If the dispatch is delayed at our request or for reasons for which we are responsible, the supplier must store the goods at our cost and risk.

6 Examination and Remedy of Defects

- 6.1 We are obliged to examine the goods within a reasonable period for any fluctuations in quality and quantity; complaints are deemed on time when received by the supplier within a period of 12 days, from the time of delivery of goods, or on discovery in the case of hidden defects.
- 6.2 We are entitled to the statutory claims for defects in full; we are entitled to demand rectification of a defect or delivery of a new item from the supplier at our discretion. The entitlement to compensation, particularly for compensation instead of the service/work performance, is explicitly retained.
- 6.3 We are entitled to rectify the defect ourselves, at the cost of the supplier, if the supplier experiences delays in completing the supplementary performance.
- 6.4 The statutory period of limitation is 36 months, calculated from the transfer of risk, where the mandatory provisions in §§ 487, 479 BGB (German Civil Code) do not apply.
- 6.5 In the case of a sale of consumer goods, the provisions in §§ 478, 479 BGB (German Civil Code) remain unaffected.

7 Product Liability, Indemnification and Third Party Insurance Cover

- 7.1 In cases where the supplier is responsible for product damage, he is obliged to indemnify us from claims for damages from third parties at the first request as if the cause were under his control and organization and as if he were personally liable to third parties.

- 7.2 Within the scope of his liability for claims for damages in terms of Paragraph 1, the supplier is also obliged to reimburse any expenses to us, pursuant to §§ 683, 670 BGB or pursuant to §§ 830, 840, 426 BGB (German Civil Code), which arise from or in connection with any recall action implemented by us. The supplier will be notified of the content and scope of any recall actions in good time – where possible and reasonable – and be provided with the opportunity to comment.
- 7.3 We will take responsibility for notification of the respective authorities responsible according to the regulations of the German Product Safety Act following consultation with the supplier.
- 7.4 The supplier is obliged to take out a product liability insurance with a flat-rate insurance cover of EUR 10,000,000.00 per personal injury/property damage; if we are entitled to further claims for damages, these remain unaffected.

8 Industrial Property Rights

- 8.1 The supplier guarantees that, in connection with his supplies, no rights of third parties within the Federal Republic of Germany will be violated.
- 8.2 If claims are asserted against us by a third party, the supplier is obliged to indemnify us from such claims upon our first written request. In the case of claims for damages from a third party, the supplier is obliged to provide proof that he is not responsible for violation of the rights of the third party.
- 8.3 We are not entitled to conclude any agreements with the third party, without approval from the supplier, particularly with regard to reaching a settlement.
- 8.4 The obligation to indemnification of the supplier relates to all applications which could arise from or in connection with claims made by a third party.
- 8.5 The statutory period of limitation is 36 months, beginning with the transfer of risk.

9 Retention of Title, Provision, Tools and Obligation to Nondisclosure

- 9.1 In as far as we provide parts to the supplier, we retain ownership of them ("goods subject to retention of title"). Processing or transformation is completed for us by the supplier. If our goods subject to retention of title are processed with other items which do not belong to us, we purchase a co-ownership of the new item in the ratio of the value of our item (purchase price plus value added tax) to the other processed items at the time of processing.
- 9.2 If an item provided by us is inseparably mixed with other items which do not belong to us, we purchase a co-ownership of the new item in the ratio of the value of the item subject to retention of title (purchase price plus value added tax) to the other mixed items at the time of mixing. If this mixing occurs in such a way that the item of the supplier can be seen as the main component, it is taken as agreed that the supplier transfers a proportionate co-ownership to us; the supplier retains the sole ownership or co-ownership for us.

- 9.3 We retain the right of ownership of tools; the supplier is also obliged to use the tools exclusively for the production of the goods ordered by us. The supplier is obliged to insure the tools adequately at his own cost at the original value against damage by fire, water and theft. At the same time, the supplier cedes as of now all rights to claim compensation from this agreement; we hereby accept the cessation. The supplier is obliged to complete any necessary maintenance and inspection work on our tools as well as all the service and repair work in good time and at his own cost. The supplier must inform us of any failures immediately; should he fail to do this culpably, claims for damages remain unaffected.
- 9.4 In as far as our security rights, as defined in Item 9.1 and/or 9.2, exceed the purchase price of all our as yet unpaid goods subject to retention of title by more than 10%, we are, on request by the supplier, obliged to release the security rights at our discretion.
- 9.5 The supplier is obliged to keep all illustrations, drawings, calculations and other documents and information strictly confidential. Third parties may only have access following our explicit approval. The obligation to nondisclosure continues to apply when object of this contract has been completed. It is annulled, however, when and as far as the manufacturing knowledge contained in the illustrations, drawings, calculations and other documents become general knowledge or was known to the supplier at the moment of notification in the terms of Section 1.

10 Place of Fulfillment, Place of Jurisdiction and Applicable Law

- 10.1 The place of fulfillment for all the contractual obligations is our company's head office, except in the case of assumption of an obligation to collect or obligation to send or another agreement.
- 10.2 The exclusive place of jurisdiction for all disputes is – as far as the supplier is a businessman within the terms of the German Commercial Code – our company's head office. This jurisdiction rule for Provisions 1 and 2 applies to ensure clarity in the case of issues between us and the supplier which could lead to non-contractual claims within the terms of the VOO (EC) No. 864/2007. We are also entitled to sue the supplier at his general place of jurisdiction.
- 10.3 With regard to all the legal relationships between the supplier and us, only the law of the Federal Republic of Germany applies, with the exclusion of UN purchasing law (CISG). It is explicitly stated that this choice of law can also be understood as such within the terms of Art. 14 Paragraph 1b) VO (EC) No. 864/2007 and, thus, is also valid for non-contractual claims within the terms of this directive. If, in individual cases, it is essential to apply foreign law, our General Terms and Conditions of Purchase must be interpreted so that it complies with the economic purpose intended as closely as possible.

11 Incoterms, Written Form and Final Provisions

- 11.1 Where commercial terms are agreed in accordance with the International Terms (INCOTERMS), INCOTERMS 2010 applies.

11.2 All agreements, subsidiary agreements, assurances and amendments must be submitted in writing. This also applies to any waiver of the written-form requirement. The priority of individual agreements in written, textual or verbal form (§ 305b BGB) remains unaffected.

11.3 Should any provision in this agreement become ineffective/invalid or unenforceable, in part or as a whole, due to reasons of the laws of the General Terms and Conditions of Business (ABG) in accordance with §§ 305 to 310 BGB (German Civil Code), the legal regulations apply.

Should an existing or future provision in the agreement become ineffective/invalid or unenforceable, in part or as a whole, for reasons other than the provisions regarding the laws of the General Terms and Conditions of Business (AGB) in accordance with §§ 305 to 310 BGB (German Civil Code), the validity of the other provisions in the agreement are not affected provided that the execution of the agreement – also taking the following regulations into account – does not represent an unreasonable hardship for one of the parties. The same applies should a loophole become evident, which requires a supplement, after conclusion of the agreement.

Contrary to any principles whereby a severability clause solely reverses the burden of proof, the effectiveness of the remaining provisions should be upheld under all circumstances and, thus, § 139 BGB (German Civil Code) can be waived altogether.

The parties must replace the provision which became ineffective/invalid or unenforceable due to reasons of the laws of the General Terms and Conditions of Business (AGB) in accordance with §§ 305 to 310 BGB (German Civil Code) or contained a loophole that needed to be supplemented by an effective provision which reflects the legal and economic content of the unenforceable/invalid provision or the overall purpose of the agreement as closely as possible. § 139 BGB (German Civil Code) (partial nullity) is expressly excluded. If the nullity affects a provision containing a defined extent of a work performance or period of time (deadline or schedule), a legally permissible extent of performance or time which comes closest to the intended purpose should then be deemed agreed.