

# General Conditions of Purchase

## 1. Validity

- 1.1 The following Conditions of Purchase apply to all orders, purchase orders and contracts - hereinafter referred to as "Order" - for the purchase of goods, as well as the purchase of work or services - hereinafter referred to as "Deliveries", placed on our behalf. We expressly object to our supplier's terms and conditions that deviate from these conditions, as these are not binding for us. Our purchase conditions also apply if we accept the supplier shipment with knowledge of contradictory conditions or supplier conditions that deviate from our purchase conditions.
- 1.2 These purchase conditions also apply to all future business transactions with the supplier, even if no specific reference is made to these conditions.
- 1.3 Invalid or unenforceable individual provisions of these conditions of purchase shall not affect the validity of the remaining provisions. The legal regulation that comes closest to the economic purpose of the invalid or unenforceable provision shall replace said invalid or unenforceable provision.

## 2. Conclusion of Contract

- 2.1 All agreements between us and the supplier, as well as all orders, are binding only if these have been put down in writing. Any changes, additions or ancillary agreements at or after conclusion of the contract require our written confirmation. Any waiver of the written form requirement must be set forth in writing. The written form is equal to the transmission via fax, e-mail, or long-distance data transmission.
- 2.2 We have the right to revoke the order if the supplier fails to accept our purchase order within two weeks after receipt. Delivery schedules shall become effective if the supplier does not object within a period of three (3) working days from receipt. Amendments, additions or other deviations from our orders are effective only if these are specifically stated, and we expressly give our consent in this regard.

## 3. Prices and Terms of Payment

- 3.1 The prices stated in the orders are fixed prices. Prices include "free delivery", as well as any packaging, transport, insurance and other costs of delivery, unless stipulated otherwise in writing. VAT must be listed separately, otherwise it will be considered included in the price.
- 3.2 If the supplier has agreed to carry out the installation or assembly, in the absence of any agreement stating otherwise, the supplier shall bear all necessary expenses, such as travel expenses or the provision of tools.
- 3.3 Invoices can only be processed if these are received by separate mail. Each order must be invoiced separately. The order number, order date, supplier's number, as well as our item number reflected on our order must be clearly indicated on the invoice.
- 3.4 Invoices are to be issued in euro; payments will be made in euro if not otherwise agreed upon in writing.
- 3.5 We will select the method of payment; by bank transfer or check and/or bill of exchange after taking delivery and receipt of an invoice, as well as after receipt of all documents pertaining to the delivery. The individual payment terms agreed upon with each supplier shall apply. The payment target date shall be 3% within 30 days, net amount within 60 days.
- 3.6 The supplier is not entitled to assign their claims against us in part or in whole, or dispose of these in any other manner without our prior written consent.
- 3.7 We are entitled to the full range of set-off and retention rights as set forth by law.

## 4. Dates and Terms of Delivery

- 4.1 Delivery dates specified in the order, or otherwise agreed upon, are binding and must be strictly adhered to. The supplier shall notify us immediately in writing of any impending delays in dates and deadlines agreed upon, indicating the reasons and the anticipated duration of the delay.
- 4.2 Partial deliveries and deliveries ahead of schedule are permitted only after our prior written consent. Payment claims, however, are due no earlier than the delivery date originally agreed upon.
- 4.3 Unless otherwise agreed upon, deliveries must include a packing slip and a specific test report according to EN 10204 or any other internationally recognized test report specifying the characteristics as mutually agreed upon with the supplier. An initial sample test report must be included with first-time deliveries.
- 4.4 Deliveries are possible only during the times specified in the orders.
- 4.5 In the event of delays in delivery, we are entitled to impose a contractual penalty of 1% for each commenced week of the delay, but no more than 10% of the order value; the supplier has the right to prove that no damage or substantially less damage was caused by the delay. An assertion regarding further damages remains reserved. We are obliged to announce the deduction of the penalty, at the latest, when the invoice is paid following the delayed delivery.
- 4.6 A force majeure incident that prevents or significantly hinders delivery by our supplier or prevents or significantly hinders the acceptance or use of the delivered goods on our premises or by our customers defers our obligation to accept delivery corresponding to our actual needs and requirements. In cases of force majeure that affects our suppliers or us, we are entitled, at our discretion, to withdraw from the contract, either in whole or in part.

## 5. Place of Performance, Risk Transfer, Ownership Acquisition

- 5.1 The place of performance is the place where the goods are to be delivered in accordance with the contract or where services are to be rendered. The place of performance for our payments is our registered office, unless agreed upon otherwise.
- 5.2 Delivery is at the expense and risk of the supplier, duly packed to be delivered or rendered free of charge to the address specified. We shall only transfer liability for accidental destruction or accidental deterioration of the delivery subject to receipt by us directly, or an appointed carrier at the place of performance agreed upon, or following final acceptance of the delivery (whichever occurs latest) even after having declared our willingness to accept freight costs.
- 5.3 We acquire ownership of the goods without reservation of supplier rights upon transfer of risk at the place of performance or upon transfer to a specific carrier.

## 6. Liability for Deficiencies - Other Liabilities

- 6.1 The delivered goods are inspected for identity and quantity only, based on accompanying documentation, as well as for obvious shipping damages. Delivery deficiencies will be brought to the supplier's attention (as soon as these have been discovered during the normal course of business) within a reasonable period of at least 5 working days after detection. In this respect, the supplier explicitly waives the objection to a belated deficiencies notification (§377 German Commercial Code).
- 6.2 Unless stipulated otherwise in this paragraph, the supplier will be held liable according to the applicable legal provisions, in particular for delivery deficiencies, whereas this liability is in no way limited or disclaimed with respect to cause or amount, and insofar shall indemnify and hold us harmless from and against third party claims.
- 6.3 We are entitled to choose the type of subsequent performance to be rendered. Under the provisions of §439, Sec. 3 German Civil Code (BGB), the supplier may refuse the type of subsequent performance that we select.
- 6.4 If the supplier should not immediately begin to correct deficiencies after having been requested to do so, then we are entitled in urgent cases, particularly to ward off acute dangers or to preclude greater damages, to extirpate the deficiencies discovered at the expense of the supplier, or to have these corrected by third parties without any type of notice or grace period in this regard.
- 6.5 Claims based on material defects fall under the statute of limitations 24 months following the sale of the end product to the user, and at the latest 30 months after delivery to us, unless otherwise agreed upon or if statutory regulations provide for longer periods. The statute of limitations for services or work is 30 months after final written acceptance. The statute of limitations will not take effect until five years have elapsed if the delivery was utilized for a structure in line with common use, subsequently causing deficiencies within the structure itself. Our rights as taken from §§ 478 and 479 of the German Civil Code (BGB) shall remain unaffected by this provision.
- 6.6 In cases of deficiencies in title, the supplier shall indemnify us from all claims by third parties. A 10-year statute of limitations applies to deficiencies in title.
- 6.7 If incoming goods inspections beyond the usual scope become necessary due to an inadequate delivery, then the supplier shall bear the costs for these inspections.

## 7. Product Liability

- 7.1 The supplier shall indemnify us from any third-party claims and from claims regarding personal and material damage, provided the cause is to be found within the supplier's territory and organizational area of responsibility. In this context, the supplier is also obligated to reimburse us for any costs pursuant to §§ 683 and 670 of the German Civil Code (BGB) that result from or in connection with a recall campaign carried out by us, or from any other measures taken.
- 7.2 The supplier agrees to maintain an extended product liability and recall cost insurance with a blanket insurance sum of at least € 2.500.000 (two million five hundred thousand euro) per personal injury/property damage; our claims are not limited to the coverage sum, however.

## 8. Compliance with Property Rights and Provisions

- 8.1 The supplier asserts that his delivery and its use will not infringe upon industrial property rights or other third party rights, nor violates legal or official regulations of any kind. The supplier also guarantees that the goods delivered will not contain CFC, PCB's or asbestos. The supplier agrees to provide us with all relevant IMDS system data free of charge upon our request, provided a separate agreement does not exist.
- 8.2 The supplier shall indemnify us from all claims filed against us by third parties, for reasons related to the delivery, or its use. Item 6.6, sentence number 2 shall apply.
- 8.3 The supplier's indemnification obligation extends to all expenses that arise from or in connection with claims by a third party.

## 9. Export Control and Foreign Trade Data

- 9.1 The supplier must meet, in particular, applicable requirements of national and international export customs and foreign trade law for all goods and services to be delivered. The supplier shall apply for the necessary shipment and export authorizations unless we or a third party are obligated to apply for these in accordance with applicable foreign trade and payments legislation.
- 9.2 The supplier shall provide us with all information and data required under foreign trade and payments legislation for import, export, transfer and, in the case of resale, for re-export in writing for all goods and services delivered as soon as possible, however no later than acceptance of the order, with particular regard to all goods and services:
  - The Export Control Classification Number (ECCN) according to the U.S. Commerce Control List (CCL) if the goods are subject to U.S. Export Administration Regulations (if the goods are not listed on the CCL, they must then be indicated as follows: "ECCN: N")
  - All applicable export list items (the goods are to be indicated with "AL: N" if they do not fall under this category)
  - The statistical commodity code in accordance with the current commodity classification for foreign trade statistics and the HS (Harmonized System) code
  - The country of origin (non-preferential origin) and
  - A long-term supplier's declaration of preferential origin (for European suppliers) or certificates of preferences (for non-European countries) for any first-time delivery of raw materials during a calendar year.
  - The supplier may not object to a supplier's declaration by making note of this on shipping documents or the invoice. An objection may only be submitted in the form of a new (modified) supplier's declaration, indicating that the previous supplier's declaration is no longer valid.
  - A declaration as to which substances are subject to a PIC procedure in accordance with Regulation (EC) No. 304/2003 "export and import of dangerous chemicals" (PIC substances must be identified by CAS number and contents. Goods or components are to be indicated with "PIC: N" provided these are not listed on the current PIC list at the time of delivery)

9.3 In the event of changes in the origin or features of the goods or services, or applicable Foreign Trade Regulations, the supplier shall update and submit the Export Control and Foreign Trade Data to the purchaser in writing as soon as possible, at the latest with the acceptance of the order, however. The customer must be informed immediately in writing prior to delivery if the export control and foreign trade data should change in any way. The supplier shall bear all expenses and damages incurred by the purchaser due to the lack of or inaccuracy of export control and foreign trade data.

#### **10. Reservation of Title, Tools**

10.1 We reserve the ownership of goods that we provide (e.g. parts, components, semi-finished products).

10.2 The reservation of title shall also extend to products resulting from the processing, mixing or combining of our goods to their full value, whereas these processes will be performed on our part so that we are considered the manufacturer. If the proprietary rights of third parties remain in existence during the processing, mixing or combination with their goods, we shall acquire co-ownership in relation to the objective value of these goods.

10.3 Tools made available to the supplier, as well as tools manufactured by the supplier himself or ordered from a third party on our behalf, where we contributed to the costs, shall remain our property or shall pass into our ownership upon manufacturing and/or acquisition by the supplier and must be clearly marked as our property.

10.4 The supplier is obligated to store our tools for us free of charge, properly insure said tools and present proof of insurance upon request. The supplier shall use these tools exclusively for the purpose of manufacturing parts for us unless agreed upon otherwise.

10.5 The supplier shall maintain and service all tools provided to them at their own expense. The supplier shall return the tools to us upon termination of the contract when requested to do so without any right of retention. When returned, any such tools must be in a flawless technical and optical condition corresponding to the previous usage condition. Repair costs will be carried by the supplier. The supplier is not allowed to scrap the tools under any circumstances without our prior written approval.

#### **11. Quality Assurance**

11.1 The supplier is obligated to maintain a quality management system in accordance with DIN EN ISO 9000ff, which will ensure flawless delivery quality according to our specific needs throughout the entire business relationship, and to monitor this system at regular intervals through internal audits, immediately implementing necessary measures if discrepancies are found. We reserve the right to inspect the supplier's quality assurance system with prior notice. Upon request, the supplier will grant us insight into certification and audit reports as well as completed test procedures, including all test records and other documents relevant to the delivery.

11.2 An inherent part of all orders and agreements between suppliers and ourselves are our "quality standards" in their current version, which we will provide to our suppliers upon request.

#### **12. Confidentiality, Documents**

12.1 All information regarding formulas, drawings, models, tools, technical records, process methods, software and other technical and commercial expertise provided by us or obtained from our suppliers, as well as deliverables achieved in connection with this information (hereinafter referred to as "Confidential Information") are to be kept confidential from third parties by the supplier and may be used by the supplier only for the execution of deliveries, and may only be made available to those individuals that require access to confidential information within the scope of the business relationship that have been sworn to secrecy in this regard. This also applies beyond the duration of the business relationship, as long as and insofar as the supplier cannot provide proof that the confidential information became evident at the time it was obtained, or became evident later through no fault on their behalf.

12.2 All documents (e.g. drawings, illustrations, test specifications), samples and models etc. that were made available to the supplier in the context of the business relationship (including any existing copies, duplicates, excerpts and copies), shall remain our property, and shall either be returned to us or destroyed at the suppliers expense at any time we deem necessary or at the latest at completion of the business relationship. The supplier is not entitled to a right of retention.

12.3 The disclosure of confidential information and conveyance of documents, samples or models does not constitute commercial protection rights, expertise or copyrights for the supplier, and does not represent prior publication rights or prior use rights as defined by patent law and the Utility Models Act.

#### **13. Applicable Law and Jurisdiction**

13.1 The laws of the Federal Republic of Germany shall apply exclusively under exclusion of international private law, as far as this refers to the validity of any other jurisdiction. The application of the UN Contracts for International Sale of Goods (C.I.S.G.) and other bilateral and multilateral agreements serving to harmonize international transactions is excluded.

13.2 The place of jurisdiction for all claims arising from business relationships with suppliers, in particular from contracts or their validity, is the place of performance (item 5.1) or Zwingenberg at our discretion. We are entitled, at our discretion, to file suit against the supplier at any other general or special place of jurisdiction.

13.3 If the supplier is located outside the Federal Republic of Germany, we are, at our discretion, also entitled to settle any claim, dispute or disagreement arising from business with the supplier under the exclusion of ordinary courts of law according to the Arbitration Rules of the Zurich Chamber of Commerce by one or three appointed arbitrators pursuant to this order. The arbitral tribunal is based in Zurich/Switzerland. The arbitration proceedings will be conducted in the English language. The arbitrament is final and binding for all parties involved.