

§1 Scope

- 1.1 These General Purchasing Conditions (“GPC”) shall be valid for all business transactions with our business partners and suppliers (“Seller”). These GPC are an integral part of all contracts concluded with our Sellers regarding their offered deliveries or services.
- 1.2 These GPC shall be valid as applicable at the respective order date and/or in their latest submitted text version also applicable as framework agreement for similar future contracts with the Contractor albeit not separately agreed upon.
- 1.3 These GPC apply exclusively. Terms and Conditions of our Sellers or any Third Parties shall not apply albeit we have not specifically objected to their application separately. Albeit we refer to a letter which contains General Terms and Conditions of the Seller or a Third Party or refer thereto, it shall not imply an acceptance with the validity of said General Terms and Conditions.
- 1.4 These GPC shall apply in particular for contracts on the sale and/or the delivery of movable objects (“goods”) irrespective of whether the Seller produces the goods himself or purchases them from suppliers (§§ 433, 651 BGB [translator’s remark: German Civil Code]).

§2 Conclusion of Contract

- 2.1 Our purchase order shall be binding at the earliest upon placing of a written order or confirmation. The Seller is to notify us about obvious errors (e.g. printing or calculation errors) and incompleteness of the order including order documents for the purpose of corrections and/or completion before accepting the order; the contract shall otherwise be regarded as not concluded.
- 2.2 The Seller shall confirm our order in writing within a period of 3 days or to perform without reservations (acceptance) by delivering the goods. Delayed acceptance shall be deemed to be a new offer and shall require confirmation by us.

§ 3 *Delivery Time and Delay in Delivery*

- 3.1 The delivery time specified in our purchase order shall be binding. The Seller shall be obliged to inform us immediately in writing if he anticipates not being able to meet the agreed delivery time - irrespective of the reasons.
- 3.2 Should the seller fail to provide his service or not within the agreed delivery time or is in default, our rights - particularly with respect to rescission and damages - shall be governed by the applicable statutory provisions. The provisions set out in section 3.3 of this document shall remain unaffected.
- 3.3 If the Seller is in default, we reserve the right to charge a contractual penalty in the amount of 1 % of the net price per complete calendar week, however, the total penalty amount shall not exceed 5 % of the net price of the delayed goods. We are further entitled to demand the contractual penalty in addition to performance and, as a minimum sum, the damages owed by the Seller; this shall be without prejudice to our right to claim any further damage. If we accept the delayed performance we shall demand the contractual penalty at the time of the final payment at the latest.

§ 4 *Performance, Delivery, Transfer of Risks, Default of Acceptance*

- 4.1 We shall be entitled to change the time and place of delivery as well as the manner of packaging at any time by written notification within a period of 5 calendar days prior to the agreed delivery date. The same shall apply to changes in product specifications, as far as they can be implemented in the course of the regular production process of the Seller without considerably increased additional expenses, whereby in said cases the notice period relating to the afore-mentioned section shall be at least 5 calendar days. We will refund the Seller for any proven and appropriate additional costs incurred due to the changes. Should the changes cause delays in delivery, which are unavoidable in the Seller's regular production and business dealings, the delivery date will be postponed accordingly. The Seller shall inform us in good time and in writing about the carefully assessed additional costs or delays in delivery, however, within a period of 2 working days at the latest after receipt of our notification according to section one.
- 4.2 The Seller shall not be entitled to have the owed performance rendered by a Third Party without our prior written consent. The Seller is to bear the procurement risk for his performance, unless otherwise expressly agreed upon in individual cases.

- 4.3 The Seller shall not be entitled to partial delivery or premature delivery without our prior written consent.
- 4.4 Delivery shall be made free of charge within Germany to the location stated in the order. The delivery terms DDP shall apply (Incoterms 2010). If the place of destination is not stated and nothing else has been agreed upon, the delivery is to be rendered to our headquarters in Eberhardstraße 60, 71679 Asperg, Germany. The agreed place of destination shall also be the place of performance for deliveries as well as for possible supplementary performances.
- 4.5 Deliveries are to be accompanied by a delivery note indicating the date (issuing date and date of shipment), content of the delivery (item number, quantity, batch and best before date) as well as our order identification (date and number). If the delivery note is missing or incomplete, we refuse any responsibility for delays in processing and payment resulting from this omission.
- 4.6 The risk of accidental loss or accidental impairment of the goods shall be transferred to us upon delivery to the place of destination. If an acceptance procedure has been agreed upon, this acceptance is authoritative for the transfer of risk. In all other respects, the applicable statutory provisions governing contracts for work and services (Werkvertragsrecht) shall apply to acceptance as well. It is deemed equivalent to the handover or acceptance if we are in default of acceptance.
- 4.7 In the event of default of acceptance by us the applicable statutory provisions shall apply. The Seller must, however, expressly offer his performance albeit a specific or definable calendar date has been agreed for an action or assistance (e.g. provision of material) by us. In the event that we are in default of acceptance the Seller may claim reimbursement of additional expenditures in accordance with the statutory provisions (§ 304 BGB). If the Contract concerns non-fungible goods that are to be produced by the Seller (individual construction), the Seller shall only be entitled to further rights if we are obliged to provide assistance and are responsible for the failure to provide said assistance.
- 4.8 We are entitled to terminate the contract at any time by written declaration and indication of the reason if we are unable to further use the products in our business operations due to circumstances arising after contract conclusion. In this case we shall compensate the Seller for the provided partial performance.
- 4.9 In case of overdeliveries and underdeliveries, unless otherwise specified in the order, the following quantities shall be considered as overdelivery and underdelivery:
- For an agreed scope of supply of up to 49 999 pieces +/- 10%
 - For an agreed scope of supply from 50 000 of up to 99 999 pieces +/- 5%
 - For an agreed scope of supply of 100 000 pieces +/- 3%

§ 5 *Export Control, Customs*

- 5.1 The Seller shall be obliged to inform us in his business documents as to any possibly applicable (re-) export license requirements for the goods according to German, European or US export control law and customs regulations as well as the export control law and customs regulations of the country of origin of the goods.
- 5.2 The Seller is to indicate the origin of the goods and the customs tariff number (HS-Code) in his business documents. As an alternative, the Seller is to send a certificate of origin or a long-term supplier declaration for the provided goods and is to inform us immediately about possible changes.

§ 6 *Prices, Payment Terms, Invoice Details*

- 6.1 The price indicated in the purchase order shall be binding. All prices include the statutory VAT unless separately stated.
- 6.2 Unless otherwise agreed in specific instances shall the price include all performances and ancillary services of the Seller (e.g. assembly, installation) as well as all ancillary costs (e.g. proper packaging, freight costs including possible transport and liability insurance).
- 6.3 In case the agreed upon price does not include packaging and reimbursement for packaging, which is not only provided on loan basis and has not expressly been determined then said packaging shall be invoiced according to proven cost prices. At our request, the Seller is to take back the packing at his expenses.
- 6.4 The agreed price shall be due for payment within a period of 30 calendar days from complete delivery and performance (including a possibly agreed acceptance procedure) as well as receipt of a proper invoice. If we settle payment within a period of 14 calendar days we shall be granted a 3 % discount on the net amount of the invoice. In case of payment via bank transfer, payment is considered to have been conducted in time if our transfer order has been received by our bank prior to expiry of the payment period; we shall not be responsible for delays caused by banks involved in the transfer procedure.

- 6.5 All order confirmations, delivery documents and invoices are to state our order number, item number, delivery quantity and delivery address. In case one or more of these details are missing and processing is delayed by us in the course of our normal business operations the payment periods as mentioned in section 6.4 are extended by the period of the delay.
- 6.6 We do not owe any default interest. In the event of default in payment the applicable statutory provisions shall apply.
- 6.7 We are entitled to the rights of offsetting and retention as well as the defense of non-performance of the contract to the extent permitted by applicable statutory provisions. We shall particularly be entitled to retain due payments as long as we still hold claims arising from incomplete or faulty performance against the Seller.
- 6.8 The Seller is only entitled to offsetting or retention in case of res judicata or undisputed counterclaims.

§7 Confidentiality and Retention of Title

- 7.1 We reserve all property rights and copyrights to illustrations, plans, drawings, calculations, executive instructions, product descriptions and other documents. Documents of this kind shall be used exclusively for the contractual performance and shall be returned to us after completion of the contract. In this case, any copies made thereof are to be destroyed; this only excludes any data stored in the courses of the statutory storage duties as well as the storage of data as a back up as part of usual data storage practice. The documents shall not be disclosed to Third Parties even after termination of the contract. The obligation to maintain confidentiality expires only if and insofar as the knowledge in the provided documents has become common knowledge.
- 7.2 The afore-mentioned provision shall apply accordingly for substances and materials (e.g. software, finished and half-finished products) as well as tools, templates, patterns and other objects which the Seller is provided with for production by us. Such objects are - as long as they are not processed - to be stored separately and insured to the usual extent against destruction and loss. The Seller is to notify us immediately about any damage caused to these objects which are not minor damages. Upon request, the Seller shall be obliged to return the objects in good order and condition if they are no longer needed for performing the contract concluded with us.

- 7.3 Any processing, mixing or combining (further processing) of provided objects by the Seller shall exclusively be done for us. The same shall apply for further processing of delivered goods by us so that we are considered the manufacturer and we thus shall acquire propriety rights of the product to the statutory extent.
- 7.4 The assignment of the goods to us shall take place unconditionally and regardless of the payment of the price. In case we agree, however, to the Seller's conditional offer in individual cases by payment of the purchase price, the Seller's retention of title expires at the latest with payment of the purchase price for the delivered goods. We shall remain entitled to re-sale the goods in normal course of business even ahead of paying the purchase price by means of assignment in advance of the claims arising thereof (alternative application of the simple and to re-sale extended retention of title). At any rate, all forms of retention of title, particularly the amplified, transferred and to further processing extended retention of title shall be excluded.

§8 Warranty Claims

- 8.1 The statutory regulations shall apply to our rights in case of defects of quality and title (including incorrect and short delivery as well as incorrect assembly and inadequate assembly and operating instructions) and in case of other breaches of duty by the Seller unless agreed otherwise in the following.
- 8.2 According to the applicable statutory provisions, the Seller shall in particular be liable that the goods have the agreed quality at the time of transfer of risk. In any case, those product descriptions, which are the subject matter of the respective contract or are incorporated in the contract in the same way as these GPC, - in particular due to identification or reference in our order - shall be valid as an agreement on the properties and condition. This shall apply regardless of whether the product description originates from us, from the Seller or from the manufacturer.
- 8.3 Notwithstanding § 442 section 1 sentence 2 BGB, we shall also be entitled to claims for defects without any restriction if the defect was unknown to us upon conclusion of the agreement even as a result of gross negligence.

- 8.4 The applicable statutory provisions shall apply for the commercial duty to inspect and notify defects (§§ 377, 381 HGB [translator's remark: German Commercial Code]) as follows: Our duty of inspection shall be limited to defects which become apparent upon visual check during our incoming goods inspection including the delivery documents as well as during our quality control using sampling (e.g. transport damage, wrong or short deliveries). If an acceptance procedure has been agreed upon, no duty of inspection shall apply. Apart from that, it depends on the extent to which inspection is expedient according to proper business procedures, taking into account the circumstances of the individual case.
- 8.5 Deviations in quality and quantity shall be considered as rebuked in good time if we notify the Seller within 10 working days upon receipt of the goods. Notification as to hidden defects shall also be deemed to have been made in a timely fashion if they were reported to the Seller within a period of 10 working days after discovery.
- 8.6 Acceptance or approval of provided specimens or samples does not constitute a waiver of warranty rights.
- 8.7 Upon the receipt of written notification as to defects by the Seller, the term of limitation shall be inhibited until the Seller either rejects our claims or declares the defect to be remedied or otherwise rejects pursuit of negotiations about our claims. In case of replacement delivery and remedy of defects the warranty period shall begin anew for the replaced and remedied parts unless we had to conclude from the behavior of the Seller that he did not feel committed to conduct such measures but carried out the replacement delivery and remedy of defects as a gesture of goodwill or due to similar reasons.
- 8.8 The Seller's expenses incurred for purposes of inspection and supplementary performance (including possible reassembly and installation costs) shall be borne by the Seller albeit it turns out that there was in fact no defect. The liability for damages in case of unjustified demands concerning notices of defects shall remain unaffected; insofar we shall, however, only be liable if we have recognized or by gross negligence have not recognized that there was no defect.

8.9 In the event that the Seller fails to honor his obligation for supplementary performance - at our choice by remedy of the defect (rectification) or by delivery of an item free of defects (replacement delivery) - within a reasonable time limit as set by us, we shall be able to remedy the defect ourselves and demand from the Seller compensation for the expenses necessary for this or an appropriate advance payment. If supplementary performance by the Seller has failed or is unreasonable for us (e.g. because of particular urgency, endangerment of the operating reliability or the imminent occurrence of disproportionate damages), no time limit need be set; we shall notify the Seller immediately and if possible in advance.

§ 9 Supplier Regress

9.1 In addition to the warranty claims, we shall have unrestricted entitlement to our statutory stipulated rights of regress within a supply chain (supplier regress according to §§ 478, 479 BGB). We shall in particular be entitled to demand precisely such kind of supplementary performance (repair or replacement delivery) from the Seller as the one we owe our customer in the individual case. This shall not infringe upon our statutory right of choice (§ 439, section 1 BGB).

9.2 Before we acknowledge or fulfill a claim for defects asserted by our customer (including reimbursement of expenses according to §§ 478 section 2, 439 section 2 BGB) we shall notify the Seller and request written comments by giving a brief account of the facts. If the comments are not provided within a reasonable period of time and also no mutual resolution is brought about, the claim for defects actually granted by the Seller shall be deemed to be owed to the customer; in this case the Seller shall be responsible for providing counter evidence.

9.3 Our claims arising from supplier regress shall also apply if the goods have been further processed by us or our customer, e.g. by installation into another product.

§ 10 Product Liability

10.1 If the Seller is responsible for a product defect, the Seller is to indemnify us for claims by Third Parties as the cause lay within his sphere of control and organization and the Seller himself is liable in relation to Third Parties.

- 10.2 Under his obligation to indemnify, the Seller is to reimburse any expenses pursuant to §§ 683, 670 BGB that arise related to any recourse taken by Third Parties including for recall campaigns carried out by us. We shall, to the extent possible and reasonable, notify the Seller of the content and extent of recall measures and give the Seller an opportunity to comment. Further statutory claims shall remain unaffected.
- 10.3 The Seller is responsible for every claim made by Third Parties on the grounds of personal injury or damage to property, which can be traced back to a defective product which he delivered and is obliged to indemnify us from the resulting liability. If we are obliged to initiate a product recall affecting any Third Parties due to defects in one of the products delivered by the Seller, the Seller shall bear all costs associated with the recall.
- 10.4 The Seller is to take out and maintain a product liability insurance policy at his expenses with a minimum coverage amount of 7.5 million EUR per personal injury/damage to property. Upon request, the Seller is to forward to us a copy of said liability police at any time.

§ 11 Statute of Limitation

- 11.1 Unless otherwise stipulated, the contract parties' mutual claims shall be time-barred in accordance with the applicable statutory provisions.
- 11.2 Notwithstanding § 438 section 1, no. 3 BGB, the general limitation period for claims for defects is three years from transfer of risk. If an acceptance procedure has been agreed upon, the limitation period commences with the acceptance. The 3-year limitation period shall apply mutatis mutandis also for claims arising out of defects in title, whereby the statutory limitation period for claims in rem for the restitution of property (§ 438 section 1 No. 1 BGB) remain unaffected; claims on the grounds of legal defects shall not become statute-barred as long as the Third Party can assert the right against us - in particular in the absence of limitation.
- 11.3 The limitation periods applicable under the law governing the sale of goods, including the above extension, shall apply - according to applicable statutory provisions - to all contractual claims for defects. If a defect also entitles us to assert non-contractual compensation claims, the standard statutory period of limitation (§§ 195 and 199 BGB) shall apply unless the statutory periods of limitation under the law governed by the sale of goods result in a longer period in individual cases.

§12 Property Rights

- 12.1 In accordance with section 12.2 the Seller vouches for the fact that the product supplied does not infringe on Third Party industrial property rights or copyrights within the countries of the European Union or other countries in which the Seller manufactures or has assigned manufacturing.
- 12.2 The Seller is obliged to indemnify us for all Third Party claims from infringements to industrial property rights and copyrights according to section 12.1 and shall reimburse us for all costs incurred associated with the assertion of such claims. The afore-mentioned entitlement shall not be granted if the Seller proves that neither can he be held responsible nor could he have been aware of at the time of delivery by application of due business diligence.
- 12.3 Our further statutory claims from defects in title of the delivered goods shall remain unaffected.

§13 Spare Parts

- 13.1 The Seller shall be obliged to stock spare parts for the products delivered to us for a period of at least 10 years after delivery.
- 13.2 In case the Seller intends stop the production of the spare parts for the products delivered to us, the Seller is to immediately notify us about the decision. Subject to section 13.1, said decision must have been made at least 6 months ahead of the production stop.

§14 Compliance with all Applicable Statutory Provisions

- 14.1 In the course of performing this contract, the Seller shall be obliged to adhere to all applicable statutory provisions. The Seller shall in particular adhere to the act providing for minimum wages as of 11th August 2014 (Minimum Wage Law, MiLoG) in the respectively applicable version and shall pay his employees a salary which is at least the amount of the respective statutory minimum wage.
- 14.2 The Seller is put on notice that not necessarily all compensation components are to be taken into consideration for calculating the correct level of minimum wages. The compensation components which are to be taken into consideration for calculating the minimum wages shall thus be incumbent upon the Seller.

14.3 The Seller is to indemnify us for all claims in the context of §13 MiLoG. This shall also apply for possibly required costs which arise on our side from assertion of claims by employees or Third Parties (e.g. social insurance agencies). The afore-mentioned costs also include legal fees according to RVG [translator's remark: German Lawyers Compensation Act] from possibly required expenses for judicial and extrajudicial defense in case of claims.

§ 15 Assignment

The Seller shall not be entitled to assign claims from the contractual relation to Third Parties. This does not apply to monetary claims.

§ 16 Place of Performance, Place of Jurisdiction, Applicable Law

16.1 Place of performance and exclusive place of jurisdiction for both contracting parties shall be our registered office location for all disputes arising from the contractual relation.

16.2 These GPC and the contractual relation between us and the Seller shall be governed by the law of the Federal Republic of Germany excluding private international law and the UN Convention on the International Sale of Goods (CISG).