TERMS AND CONDITIONS OF PURCHASE

1. General provisions, scope

1. These Terms and Conditions of Purchase (T&C Purchase) apply to all business relationships with our business partners and suppliers, whose place of business (§ 17 ZPO) is not in Germany (hereinafter: "Vendor"). The T&C Purchase only apply if the Vendor is an entrepreneur (section 14 German Civil Code (BGB)), a legal person under public law or a special fund under public law.
2. The T&C Purchase particularly apply to contracts for the sale and/or supply of movable items (hereinafter also: "goods"), irrespective of whether the Vendor manufactures the goods itself or purchases them from suppliers (sections 433, 651 German Civil Code). The T&C Purchase, as amended, apply as a framework agreement, also to future contracts for the sale and/or supply of movable items with the same Vendor, without us having to make reference to them in each individual case; in this case, we will inform the Vendor about any amendments to our T&C Purchase without delay.
3. These T&C Purchase apply exclusively. Deviating, opposing or supplementary terms and conditions of the Vendor shall only become components of the contract if we have expressly consented to their application in writing. This consent requirement shall always apply, in particular even if we accept the Vendor's deliveries without reservation despite being aware of the Vendor's terms and conditions.
4. Individual agreements concluded with the Vendor in the individual case (including collateral agreements, additions and amendments) shall always take precedence over these T&C Purchase. A written agreement or our written confirmation shall be decisive for determining the content of such agreements.
5. Declarations and notices, which are significant from a legal point of view and which must be submitted to us by the Vendor after conclusion of the contract (e.g. deadlines, reminders, rescission declarations), must be in writing (e.g. by e-mail) to be valid.
6. References to the application of statutory provisions are only for the purpose of clarification. The statutory provisions therefore also apply even without such a clarifying reference, providing they have not been directly modified or excluded in these T&C Purchase.

2. Conclusion of the contract

1. Our order shall be binding, at the earliest, when it is submitted or when it is confirmed in writing (e.g. by e-mail). The Vendor must notify us of any obvious errors in the order (e.g. typing errors or calculation errors) and where the order is incomplete; this notification must include the order documents so that we can correct or complete them before acceptance; otherwise the contract shall be deemed not to have been concluded.
2. The Vendor must confirm our order in writing within a time period of three days or perform the contract by dispatching the goods without reservation (acceptance). Late acceptance shall be regarded as a new offer which must be accepted by us.

3. Delivery time and default in delivery

1. The delivery time we indicate in our order is binding. The Vendor must inform us in writing (e.g by e-mail) without delay if it is likely that it will be unable to meet the agreed delivery times, irrespective of the reasons for this.
2. If the Vendor does not provide its service or not within the agreed delivery time or if it falls into default, our rights, especially our right to rescind the contract and our right to claim compensation, shall be governed by the statutory provisions. The provisions under subsection 3. remain unaffected.
3. If the Vendor is in default, in addition to the further-reaching statutory claims, we can claim a fixed amount of compensation for our default damage in the amount of 1% of the net price of the goods delivered late per full calendar week, but no more than a maximum of 5% of the net price of the goods delivered late. We reserve the right to prove that our damage is higher. The Vendor is free to prove that we did not suffer any damage or that the damage caused was significantly lower.

4. Performance, delivery, passage of risk, delay in acceptance

1. Without our prior written consent, the Vendor is not entitled to have the service it owes provided by third parties (e.g. subcontractors). The Vendor bears the risk of procurement for its services, unless otherwise agreed in the individual case (e.g. sale of goods in stock).
2. Delivery shall be "carriage paid" to the place of delivery indicated in the order. If the place of delivery is not indicated and nothing else has been agreed, deliveries must be made to our registered office in Aurach. The respective place of delivery is also the place of performance (obligation to perform).
3. The delivery must be accompanied by a delivery note stating the date (of issue and of dispatch), content of the delivery (article number and quantity) as well as our order reference (date and number). If the delivery note is missing or incomplete, we shall not be liable for any resulting delays in processing and with payment. Separately from the delivery note, we must be sent a corresponding notice of dispatch with the same content.
4. The risk of accidental loss and accidental deterioration of the goods shall pass to us when the goods are handed over at the place of performance. Where acceptance has been agreed, this shall be decisive for the passage of risk. The statutory provisions of the law on contracts for work and services shall also apply to acceptance in all other respects. The same shall apply to handover or acceptance if we are in default with acceptance.
5. The statutory provisions govern when our default with acceptance commences. The Vendor must also expressly offer its service to us even if a definite or definable calendar date has been agreed for an action or act of cooperation on our part (e.g. provision of material). If we fall into default with acceptance, the Vendor can claim its additional costs in accordance with the statutory provisions (section 304 German Civil Code). If the contract concerns non-fungible goods to be manufactured by the Vendor (custom-made items), the Vendor shall only be entitled to further-reaching rights if we have agreed to provide assistance and are responsible for the fact that we failed to do so.

5 Prices and terms of payment

1. The price indicated in the order is binding. All prices are inclusive of the statutory value added tax unless this is stated separately.
2. Unless otherwise agreed in the individual case, the price includes all services and ancillary services of the Vendor (e.g. assembly, installation) as well as all ancillary costs (e.g. proper packaging, transportation costs, including any transportation insurance or liability insurance). The Vendor must take back packaging material on our request.
3. The agreed price shall be due for payment within 30 calendar days of complete delivery and performance (including any agreed acceptance) as well as receipt of a proper invoice. If we pay within 14 calendar days, the Vendor shall grant us 3% discount on the net invoice amount. In the case of bank transfers, the payment shall be deemed to have been made in time if our transfer order is received by our bank before expiry of the payment period; we shall not be responsible for delays caused by the banks involved in the payment process.
4. We shall not owe any interest on maturity (section 353 German Commercial Code). The default interest shall be 5 percentage points per annum above the base interest rate. The statutory provisions govern when our default commences, whereby, deviating herefrom, a written reminder by the Vendor shall definitely be required.
5. We shall be entitled to rights of set-off and rights of retention as well as the defence based on non-performance of the contract as provided by statute. We shall, especially, be entitled to retain due payments if we still have claims against the Vendor arising from incomplete or defective performance.
6. The Vendor shall only be entitled to a right of set-off or a right of retention if the counterclaims have been established with binding legal effect or are not disputed.

6. Confidentiality, retention of title and protection of ownership

1. We retain the ownership rights and copyrights in illustrations, plans, drawings, calculations, instructions, product descriptions and other documents. Such documents may only be used for the contractual service and must be returned to us after completion of the contract. The documents must be treated confidentiality vis-à-vis a third parties, even after the end of the contract. The confidentiality obligation shall lapse only once and if the information contained in the documents provided has become public knowledge.
2. The above provision applies accordingly to substances and materials (e.g. software, finished and half-finished products) as well as to tools, templates, models and other items with which we provide the Vendor for the purpose of manufacturing. Until they are processed, such items must be stored separately at the Vendor's cost and insured for a reasonable amount against destruction and loss.
3. Processing, mixing or combining (further processing) of items provided by us by the Vendor shall be deemed to be carried out for us. The same applies to further processing of the delivered goods by us, meaning that we have the status of manufacturer and acquire ownership, subject to the statutory provisions, of the product at the latest when the further processing takes place.
4. The goods must be assigned to us unconditionally and irrespective of whether the price has been paid. However, if, in the individual case, we accept an offer of the Vendor, whereby assignment is contingent on payment of the purchase price, the Vendor's reservation of title shall lapse when the purchase price for the goods delivered is paid at the latest. We also remain authorised to sell the goods on in the ordinary course of business, even before the purchase price is paid, subject to assignment in advance of the claim arising herefrom (in the alternative, application of the simple reservation of title extended to selling on). All other forms of reservation of title, especially the extended reservation of title, forwarded reservation of title and reservation of title extended to selling on, are therefore definitely excluded.
5. Tools, apparatus and models with which we provide the Vendor or which are manufactured for contractual purposes and for which the Vendor charges us separately, shall remain our property or shall be assigned to us. They must be clearly marked as our property by the Vendor, stored carefully, insured against damage of all kinds and only used for contractual purposes. Unless otherwise agreed, the contracting parties shall each bear half of the costs of maintaining and repairing them. However, if these costs result from defects in items manufactured by the Vendor or from improper use by the Vendor, its employees or other vicarious agents, they must be borne by the Vendor. The Vendor shall inform us without delay of all damage to these items which is not only insignificant. On request, it must return the items to us in a proper condition once it no longer requires them for the purpose of performing the contacts with us.

7. Defective delivery

1. Unless otherwise set out in the following, the statutory provisions apply to our rights in the case of material and legal defects in the goods (including incorrect and short delivery as well as improper assembly, defective assembly instructions, operating instructions or instructions for use) as well in the case of other breaches of duty by the Vendor.
2. In accordance with the statutory provisions, the Vendor is especially liable for the goods having the agreed quality at the time of passage of risk. Product descriptions which are the subject of the contract in question, especially by way of designation or reference in our order, or which are included in the contract in the same way as these T&C Purchase, shall be

regard as agreements of quality. It shall be irrelevant whether the product description originates from us, the Vendor or the manufacturer.

3. We are entitled, without restriction, to claims for defects if the defect was not discovered at the time when the contract was concluded owing to gross negligence.
4. The statutory provisions apply to the commercial duty of inspection and duty of notification, with the following proviso: our duty of inspection is restricted to defects which are apparent at the time of our incoming goods inspection on the basis of an external inspection of the goods, including the delivery documents, as well as at the time of our quality control sampling procedure (e.g. transport damage, incorrect or short delivery). Where acceptance is agreed, there shall be no inspection duty. In all other respects, the extent to which an inspection is possible, taking account of the circumstances of the individual case, in the course of the ordinary course of business, is decisive. Our duty to notify defects discovered later remains unaffected. In all cases, our notification duty (notification of defects) shall be deemed to have taken place without delay and in time if it is received by the Vendor within 10 days. It shall be sufficient for the notification of defects to be in writing (e.g. by e-mail).
5. The costs the Vendor incurs for its inspection and improvement (including any deinstallation and installation costs) shall be borne by the Vendor, even if it should transpire that there was, in fact, no defect. Our liability for compensation in cases of unjustified requests for defects to be remedied remains unaffected; in this respect, we shall only be liable if we have acknowledged or failed with gross negligence to acknowledge that there was no defect.
6. If the Vendor does not observe its duty to provide subsequent performance – at our discretion either by remedying the defect (subsequent improvement) or delivering goods free from defects (substitute delivery) – within a reasonable period set by us, we can remedy the defect ourselves and claim reimbursement of the expenses or a corresponding advance payment from the Vendor. If subsequent performance by the Vendor fails or is unreasonable for us (e.g. owing to a particular urgency, risk of operational safety or impending disproportionate damage), there shall be no requirement to set a such a period; we will inform the Vendor of such circumstances in advance where possible.
7. We are also entitled to reduce the purchase price or to rescind the contract in cases of material or legal defects in accordance with the statutory provisions. Furthermore, we have a claim to compensation for damage and expenses in accordance with the statutory provisions.

8. Recourse to suppliers

1. In addition to the claims for defects, we are entitled to our statutory recourse claims in a supply chain (recourse to suppliers pursuant to sections 478, 445 a, 445 b German Civil Code) without restriction. We are especially entitled to request the same type of subsequent performance (subsequent improvement or substitute delivery) as we owe our customer. Our statutory right to choose is not restricted by this.
2. Before we acknowledge or fulfil a claim for defects asserted by our customer (including compensation for additional costs in accordance with section 445 a (1) German Civil Code), we will inform the Vendor, providing a brief description of the situation, and ask for a statement in writing (e.g. by e-mail). If it does not provide a statement within a reasonable period and if a mutual solution is not agreed, the defect claim which we have actually granted our customer shall be deemed owed; in this case the Vendor shall be responsible for providing counter-evidence.
3. Our claims arising from recourse to the supplier also apply if the goods were processed further before they were sold on to a consumer by us or by one of our customers, e.g. by installing them in another product.

9. Manufacturer's liability

1. The Vendor is responsible for all claims asserted against us by third parties owing to personal injury or damage to property caused by a defective product it supplied. It must indemnify us against these claims by third parties.
2. In the framework of its indemnification obligation, the Vendor must reimburse us, pursuant to sections 683, 670 of the German Civil Code, all additional costs which result from or in connection with a claim by third parties, including the costs of product recall actions we have carried out. Where possible and reasonable, we will inform the Vendor about the content and scope of recall measures and give it an opportunity to comment. Further-reaching statutory claims remain unaffected.
3. The Vendor must take out and maintain product liability insurance with a fixed cover amount of at least EUR 5,000,000.00 per case of personal injury/damage to property.

10. Property rights

1. In accordance with subsection 2., the vendor shall ensure that the products it delivers do not infringe property rights of third parties in countries of the European Union or other countries in which it manufactures products or has products manufactured.
2. The vendor shall indemnify us against all claims which third parties file against us owing to the infringement of industrial property rights as mentioned in subsection 1. and shall reimburse us all costs necessary in connection with this claim being asserted. There shall be no such claim if the vendor proves that it was not responsible for the property right infringement and should not have been aware of it, had it been operating with the care of a prudent businessman, at the time when the delivery was made.

11. Conflict minerals and product counterfeiting

1. The vendor declares that it agrees not to use any conflict minerals and to comply with the requirements of Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Public Law 111-203). The vendor also declares that it agrees to provide the Vendor, on request, with the documents which make it possible to establish whether the information provided by the vendor relating to the origin of the (conflict) minerals used is correct.
2. The vendor declares that it agrees not to use or deliver any counterfeit products and to comply with Section 818 of the US National Defense Authorization Act in the version applicable for the respective financial year. The Vendor also declares that it agrees to draw up and maintain a product counterfeiting prevention and control plan, whereby Standard AS 5553 should serve as a guideline for this.

12. Limitation period

1. Unless otherwise agreed, the mutual claims of the contracting parties shall become statute-barred in accordance with the statutory provisions.
2. Deviating from section 438(1) no. 3 of the German Civil Code, the general limitation period for claims for defects is 3 years from the passage of risk. Where acceptance is agreed, the limitation period shall begin on acceptance. The 3-year limitation period applies accordingly also to claims arising from legal defects, whereby the limitation period for in rem surrender claims of third parties (section 438(1) no. 1 of the German Civil Code) remains unaffected; claims arising from legal defects shall under no circumstances become statute-barred while the third party can still assert the claim against us, especially where it has not yet become statute-barred.
3. The limitation periods of the UN Convention on Contracts for the International Sale of Goods including the above extension apply, to the extent provided by statute, to all contractual claims for defects. If we are entitled to non-contractual compensation claims owing to a defect, the standard statutory limitation period (sections 195, 199 German Civil Code) shall apply if the application of the limitation periods of the UN Convention on Contracts for the International Sale of Goods does not lead to a longer limitation period in the individual case.
4. On receipt of the notification of defects (section 7) by the Vendor, the limitation of our rights in the case of material and legal defects shall stop until the Vendor rejects our claims or refuses to continue negotiations about our claims. In the case of substitute delivery of an item free from defects or remedy of the defect, the limitation period for claims for defects for replaced or improved parts shall begin again unless we must assume, on the basis of the Vendor's behaviour, that it did not consider itself to have a duty to carry out the measure but only carried out the substitute delivery or remedied the defect as a gesture of goodwill or for similar reasons.

13. Applicable law and place of jurisdiction

1. The law of the Federal Republic of Germany including the UN Convention on Contracts for the International Sale of Goods (CISG) applies to these T&C Purchase and all legal relationships between us and the Vendor.
2. If the Vendor is an entrepreneur in the sense of the German Commercial Code, a legal person under public law or a special fund under public law, the exclusive place of jurisdiction, also internationally, for all disputes arising from the contractual relationship is the place of our registered office in Aurach. However, we are also entitled to file a claim at the place of performance of the delivery obligation.