

## 1. Scope

These terms and conditions shall apply solely and exclusively to operators in accordance with § 14 of the German Civil Code, as well as to legal entities of public law and the special fund under public law; general business terms of the supplier which contradict, supplement or deviate from these terms and conditions of purchase, shall not be recognised by us, unless we have explicitly approved them in writing. Our terms and conditions of purchase shall also apply if we accept or pay for deliveries and services of the supplier (hereinafter referred to as the object of the contract), being aware of the supplier's contradictory terms or terms which deviate from our terms and conditions of purchase. Our terms and conditions of purchase shall also apply to all future deliveries and services of the supplier.

## 2. Conclusion of the contract

- 2.1 Agreements, orders and delivery schedules as well as their amendments and additions shall be made in text form or by remote data transmission. An order shall be deemed as having been accepted if the supplier does not object within 5 working days from the order date.
- 2.2 Orders placed orally or by telephone require our subsequent confirmation in text form. The same applies to verbal subsidiary agreements and amendments to the contract.
- 2.3 We may also request changes to the delivery object or the agreed service after the contract has been concluded provided this is reasonable for the supplier. In the event of such changes, the effects for both sides, especially with regard to additional or reduced costs as well to as the delivery date, are to be adjusted appropriately.
- 2.4 Each order is to be dealt with separately in all correspondence. Each communication must specify: purchasing department, correct order number, order date and buyer's reference number.

## 3. Prices

- 3.1 Prices quoted are fixed prices as well as DDP delivery address (INCOTERMS 2010) including packaging but without VAT.
- 3.2 If no prices were specified in the order, the supplier's list prices current at the time of placing the order shall apply. If the supplier reduces his prices in the time between the order and the delivery or if he improves the conditions, the prices and conditions valid on the day of the delivery shall apply.
- 3.3 Enquiries regarding the supplier's quotations are not binding for us, however they do constitute a binding quotation on the part of the supplier. Preparation of quotations is done by the supplier free of charge, in particular, without calculating the cost of visits or the drafting of quotations and projects. The supplier is bound to his quotation for a period of 4 weeks after receipt of said quotation.

## 4. Subcontractors

The supplier is not entitled to use subcontractors for the performance of his services without our prior written consent. However, consent must not be withheld unreasonably.

## 5. Payment, offsetting and retention rights

- 5.1 Unless otherwise agreed, payments will be made within 30 days' net without deductions, and within 21 days less 3% cash discount.
- 5.2 The payment period commences with the receipt of a complete, proper and verifiable invoice, but not prior to the receipt of the complete delivery or acceptance of the service (if agreed).
- 5.3 A single copy of the invoice is to be submitted to us separately, along with all accompanying documents and data after delivery / service has been completed, in a form appropriate to legal and accounting requirements. All invoices must bear the order number specified by us. Any excess or shortfall in performance is to be listed separately on the invoice. VAT must be stated separately on all invoices. Only duly submitted invoices (i.e., accurate, complete, proper and verifiable) shall be deemed to have been received by us.
- 5.4 In cases where an advance payment has been agreed, the supplier shall, at our request, first provide us with suitable surety by means of an indefinite, directly enforceable guarantee of a major German bank, waiving the defence of failure to pursue remedies and payable on first demand.
- 5.5 We are entitled to our statutory rights of set-off and retention. An assignment of purchase price claims by the supplier requires our prior written consent. This does not apply to assignments to a credit institution as collateral security for business loans or for the arrangement of an extended retention of title. Furthermore, the supplier may only offset with counterclaims that are undisputed or established as legally binding. The supplier is only entitled to rights of retention if they are based on the same legal transaction.

## 6. Place of performance, deliveries, packaging

- 6.1 Unless otherwise arranged on a case-by-case basis, delivery is agreed DDP delivery address (INCOTERMS 2010). The supplier shall therefore bear the risk of accidental loss, deterioration or destruction of the goods until receipt of said goods by us or our agents at the place where the goods are to be delivered as per the order.

- 6.2 Partial deliveries are not permitted unless we have expressly agreed to them. If consent has been given, the outstanding quantity is to be itemised.

- 6.3 Unless otherwise proven, the values for quantities, weights and measures determined by us during the incoming goods inspection (section 10) shall be decisive.

- 6.4 The supplier is obliged to use environmentally friendly packaging that can be reused or disposed of cost effectively. The packaging is intended to provide protection against damage, contamination, humidity and possible electrostatic discharge during transportation and storage, so that the assembly by us, or by a company commissioned by us, can be carried out without additional effort. All information relevant to the content, storage and transport must be visible on the packaging. Loaned packaging will be returned to the supplier at his address, freight collect.

## 7. Delivery dates

- 7.1 Agreed delivery dates are binding. If a calendar week is agreed as the delivery date, the Friday of that week is the final delivery deadline.
- 7.2 If the agreed dates are not observed, the statutory provisions shall apply. The supplier must notify us immediately, if he realises that the delivery is not or will not be possible for him as agreed in the contract with respect to the production, supply of primary materials, observance of the delivery date or similar circumstances.
- 7.3 Delivery of the goods at the receiving or use point specified by us or – if agreed – the declaration of acceptance shall be decisive for observing the delivery deadline or the delivery period.
- 7.4 The supplier can only appeal to the absence of necessary information or documents that were to be delivered by us, if he did not receive these within a reasonable time period despite having sent a reminder in text form.
- 7.5 In the event of a delay in the delivery, we shall be entitled to charge a contractual penalty of 0.2% of the net value of the delayed delivery per business day, but not exceeding 5% of the value of the goods. Any further claims for compensation shall remain unaffected by this.
- 7.6 The unconditional acceptance of the delayed delivery or service does not constitute a waiver of the claims due to us because of the delayed delivery or service; this shall apply until complete payment of the remuneration owed by us.
- 7.7 If delivery is made earlier than agreed, we are entitled at our own discretion to store or return the delivery at the supplier's risk and expense.

## 8. Force majeure

- 8.1 For delays in deliveries caused by force majeure, the agreed delivery dates shall be extended by the duration of the circumstances preventing delivery. Force majeure events are all external circumstances outside of the control of the contracting parties, like e.g., natural catastrophes, strikes, acts of war, civil unrest, official decrees, general shortage of fuel and raw materials, unforeseeable obstructions of transportation routes.
- 8.2 Irrespective of this, the supplier is obliged to notify us immediately of any difficulties or delays with the delivery that are apparent to him, so that appropriate protection against losses can take place by mutual agreement and as early as possible.
- 8.3 Should a force majeure event or other events outside of our control occur, we shall be entitled – without prejudice to our other rights – to withdraw from the contract either wholly or in part if our interest in the service ceases as a result.

## 9. Confidentiality/data protection

- 9.1 All commercial or technical information made available to the supplier by us (including documents, samples, business plans, personal data, problems, data, and/or problem solving and other expertise as well as information obtained visually by inspecting equipment/facilities), is to be treated confidentially for the duration and after the termination of the contractual relationship, and in particular is not to be disclosed to third parties or to be used for personal unauthorised business purposes. This shall apply accordingly to the signing and content of the contract. All information shall remain our exclusive property; we reserve all rights in connection with it.
- 9.2 The supplier is not entitled to use products made in accordance with our documents such as drawings, models or the like, for his own purposes or to offer or deliver them to third parties or to let them be offered or delivered by third parties.
- 9.3 The supplier shall also impose these obligations on his employees and other third parties who may come into contact with the information and prove this to us on request.
- 9.4 This duty of confidentiality shall not apply to information that was already known to the supplier, was legally obtained by third parties, is generally known or is the state of the art, or was released by us.
- 9.5 The duty of confidentiality with respect to technical information ends 5 years after the termination of the contract.
- 9.6 On termination of this contract, the supplier must return all documents and information without being requested to do so or he must destroy them at our request and furnish us with proof thereof.
- 9.7 The parties shall comply with data protection regulations, in particular if they are granted access to the operation or to the hardware and software of the other

party. They shall ensure that their vicarious agents likewise comply with these regulations, in particular they shall obligate them to maintain data secrecy prior to commencing their activity. The parties do not intend to use or process personal data on behalf of the other party. Rather, any transfer of personal data occurs only in exceptional cases as a side-effect of the contractual services of the parties. Personal data shall be dealt with by the parties in accordance with the provisions of the data protection laws.

#### 10. Quality assurance and incoming goods inspection

- 10.1 The supplier is obligated to maintain a quality management system, which is structured according to the latest state of the art. The supplier shall conduct inspections during production in accordance with his QMS. The supplier shall conduct final inspections of the products which shall ensure that only sound goods are delivered.
- 10.2 The acceptance of the delivery shall be subject to the inspection for soundness of the goods, in so far as and as soon as this is feasible according to the regular course of business. This includes only identity, completeness, and externally recognisable defects of the goods. In addition, if the incoming goods inspection is replaced by the quality assurance at the supplier's in accordance with paragraph 1; the supplier waives the objection of delayed notice of defects in accordance with § 377 of the German Civil Code.

#### 11. Warranty

- 11.1 The statutory provisions on material defects and defects of title shall apply without restriction unless otherwise stipulated subsequently.
- 11.2 In urgent cases we are entitled to undertake, at the supplier's expense, the supplementary performance or cure, ourselves or to have it done by a third party, in particular to prevent immediate danger or avoid greater damage, if the supplier's request to perform supplementary work is unacceptable due to the urgency. We undertake to notify the supplier immediately of such warranty cases as well as the nature and extent of the urgent measures taken.
- 11.3 Material defects and defects in title are subject to a limitation period of 36 months. The statutory period of limitations for in rem claims for surrender of third parties (§ 438 par. 1 no. 1 German Civil Code) shall remain unaffected. The period of limitation commences with the delivery of the object. For cure services which took place within the limitation period, the statute of limitations begins to run again from the time at which the supplier has completely fulfilled our claims for cure.
- 11.4 The supplier shall bear all the costs incurred by us as a result of the defective delivery of the object of the contract, especially transport and travel costs, labour costs, material costs and inspection costs in excess of the usual amount.
- 11.5 In the event of recourse, we are entitled to demand compensation from the supplier for the expenses incurred which we had to bear in relation to our customers due to the poorness of the service.
- 11.6 The supplier is obliged to use environmentally friendly products and procedures for his deliveries/services and also for the deliveries and ancillary services of third parties within the bounds of what is economically and legally possible. The supplier is liable for the environmental sustainability of the products and packaging materials delivered and for all consequential damages arising from any breaches of his statutory waste disposal obligations. The supplier is moreover obligated to issue a quality certificate for the delivered goods at our request.
- 11.7 Notwithstanding § 442 par. 1 p. 2 German Civil Code, we shall also be entitled to unlimited defect claims, if the defect remained unknown to us at the conclusion of the contract as a result of gross negligence.
- 11.8 The costs incurred by the supplier (including possible costs of fitting and removal) for the purposes of testing and cure, shall be borne by the supplier even if it transpires that no defect was actually present. Our liability for damages for unwarranted requests to repair defects shall remain unaffected. However, we shall be liable only if we recognised, or did not recognise due to gross negligence, that there was no defect.
- 11.9 If the supplier does not fulfil his obligation for cure within a reasonable time period set by us, or if he ultimately refuses to remove the defect before the expiry of this time period, we are entitled to remove the defect ourselves and to demand compensation for the expenditure required unless the supplier justifiably refused the cure. We are entitled to demand a reasonable advance. No deadline need be set if the supplementary performance by the supplier fails or is unacceptable to us (e.g. due to especial urgency, risk to operational security or the imminent onset of disproportionate damages). We shall immediately notify the supplier of such circumstances.

#### 12. Rights to retention of title and other security interests

- 12.1 The assignment of goods to us must take place unconditionally regardless of whether the price is paid. If, in an individual case however, we accept the supplier's offer of assignment that is conditional on payment of the purchase price, the supplier's retention of title shall expire at the latest on payment of the purchase price for the delivered goods. In the normal course of business, even before payment of the purchase price, we shall remain authorised to resell the goods by anticipatory assignment of the claim arising therefrom (alternatively, validity of the simple reservation of title extended for the resale). In any event all

other forms of retention of title are thereby excluded, in particular retention of title that has been extended, transferred and prolonged for further processing.

- 12.2 Any processing, mixing or combining (further processing) of the delivered goods by the supplier will be carried out for us. The same applies to further processing by us of the delivered goods, so that we are considered to be the manufacturer and shall acquire ownership of the product on said further processing at the latest according to the statutory provisions.

#### 13. Product liability

- 13.1 In the event, that claims based on product liability are asserted against us, the supplier is obligated to indemnify us from such claims on first demand, in so far as and to the extent that the damage was caused by a defect in the object of the contract delivered by the supplier and – in cases of liability based on fault – if the supplier is at fault. In so far as the cause of the damage is within the supplier's area of responsibility, he shall bear the burden of proof to this extent.
- 13.2 In these cases, the supplier will assume all costs and expenses, including the costs of any legal prosecution or product recall. Otherwise, statutory provisions shall apply.
- 13.3 The seller must complete and maintain product liability insurance with a lump-sum coverage of at least 10 million euro per case of personal injury / property damage.

#### 14. Tools/provisioning

- 14.1 All rights to moulds, tools, reproductions, plans, samples, drawings and such (hereinafter referred to as: Supplies), which were produced and paid for at our expense or that were handed over to the supplier by us, are exclusively reserved to us. Ownership rights shall be transferred to us at the time of payment at the latest. The supplier shall store, maintain, and service the Supplies free of charge and protect and insure them against unauthorised access, damage and destruction with the same exercise of due diligence and care as he gives his own affairs. To this extent the supplier has no right of retention.
- 14.2 The supplier has to check the information submitted by us for completeness and accuracy and notify us immediately of any errors. In the case of faulty documents (e.g. drawings), corrections requiring payment undertaken by the supplier require our prior written agreement.
- 14.3 Tools made on the basis of our documents may only be produced for us, used for our contracts and/or delivered to us exclusively, unless we expressly agree in writing to their use for third parties and/or their delivery to third parties.

#### 15. Assembly, maintenance, inspections, repairs

Our Safety and Regulatory Provisions for Contractors shall apply for assembly, maintenance, inspections and repairs in our factories. These are attached to the order or handed out before work commences and may if required by requested from the purchasing department.

#### 16. Origin of goods, proof of origin

Goods delivered must meet the conditions of origin of the preferential agreements of the EUR unless otherwise agreed. The supplier is obligated to hand over the necessary papers on the origin of the goods to us at our request and is liable for its correctness.

#### 17. Industrial property rights of third parties

- 17.1 The supplier guarantees that his supplies are free from the industrial property rights of third parties (in particular patents, registered designs, copyrights etc.).
- 17.2 In the event of a breach of the industrial property rights, despite contractual use by us or by our customers, the supplier is obligated to procure the necessary rights for us from the holder of the industrial property rights at his own expense.
- 17.3 The supplier shall indemnify us and our customers on first demand from all claims by third parties of alleged breaches of industrial property rights. Moreover, he must reimburse us or our customers for all expenses, which we or our customers incurred in connection with the claims of third parties.

#### 18. Compliance

- 18.1 Within the context of the business relationship with us, whether in the course of business dealings or when dealing with officials, the supplier is obligated to neither offer, accept, grant or demand advantages, which are in breach of current anti-corruption regulations nor to enter into agreements or coordinated and concerted practices with other companies, which have as their object or effect, the prevention, restriction or distortion of the competition in accordance with current antitrust regulations.
- 18.2 The supplier is obligated to comply with the respective legal regulations when dealing with employees, environmental protection, and occupational safety. The supplier shall work to continuously reduce the negative impact of his activities on mankind and the environment and to conserve resources. To this end, the supplier shall maintain and implement a state-of-the-art environmental management system. The supplier is obligated to apply recognised social and environmental standards and not to cultivate any business relations with companies or states whose legal, ecological or ethical standards are equivocal. In addition, the supplier is obligated to avoid using conflict materials from the Democratic Republic of Congo („DRC“) or neighbouring countries, as defined by the American „Dodd-Frank Wall Street Reform and Consumer Protection Act“.

18.3 In the event of a breach of the obligations mentioned in subparagraph 18.1 or 18.2, within the scope of the business relationship with us, the supplier has to clarify the underlying circumstances immediately and notify us of the steps taken to resolve the situation. If the suspicion proves to be justified, the supplier must inform us within a reasonable time period of which measures he has taken in order to prevent future infringements. Should the supplier fail to comply with this obligation, we reserve the right to withdraw from contracts with the supplier or to terminate them with immediate effect.

18.4 In the case of serious violations by the supplier against subparagraph 18.1 or 18.2, we reserve the right to withdraw from existing contracts or to terminate them without notice.

**19. Quality assurance agreements**

Quality assurance agreements which may exist between us and the supplier shall also apply in addition to these terms and conditions of purchase.

**20. Place of performance, legal venue, applicable law**

20.1 Unless otherwise agreed, the place of performance for the supplier's delivery obligations is the place of use specified by us, for all other obligations of both parties, the place of performance is the location of our headquarters.

20.2 If the supplier is a business man or trader as defined by the German Commercial Code, a legal entity of public law or public special fund, the place of jurisdiction for all disputes arising from or in connection with these terms and conditions is Weilburg. This likewise applies if the supplier is an entrepreneur as defined by § 14 German Civil Code. We are however entitled, to institute legal proceedings at the place of performance or at the registered offices of the supplier.

20.3 The law of the Federal Republic of Germany shall apply to the exclusion of the United Nations Convention on Contracts for the International Sale of Goods (CISG).

Effective January 2017