

§ 1 Scope of Application

- (1) The General Terms and Conditions of Purchase (GTCP) stipulated in this agreement apply to all business relationships and transactions with our business partners and suppliers ("vendors"). Our purchasing terms and conditions are only applicable to enterprises, legal entities subject to public law and to separate estates subject to public law in accordance with § 310 paragraph 1 of German Civil Code (BGB).
- (2) Our Terms and Conditions of Purchase apply exclusively. Any varying, contradictory or additional general terms and conditions of the vendor will only be admitted as valid contractual items in such case that we have explicitly expressed our agreement in written form. This requirement for written agreement is valid in every case, even if, for example, the vendor refers to his own general terms and conditions in the course of confirming an order, and we do not expressly raise objection to this.
- (3) The General Terms and Conditions of Purchase apply, in particular, to contracts regarding the sale and/or the delivery of moveable objects ("goods"), regardless of whether the vendor has manufactured the goods himself or has purchased the goods from sub-suppliers (§§ 433, 650 BGB). In such case that no other agreement has been reached, the GTCP shall apply that are valid at the point of time when the purchase order is placed by the buyer or that have recently been stipulated in text form as a framework agreement that shall also be valid for future contracts, without any requirement for us to point this out explicitly in every individual case.
- (4) Individual agreements (e.g. framework supply agreements, quality assurance agreements) and specifications in our purchase orders take precedence over the GTCP. In such case that there is any doubt about the applicable trade terms, reference shall be made to the Incoterms® published by the International Chamber of Commerce (ICC) in Paris when the valid contract is concluded.
- (5) Legally relevant declarations and notifications from the vendor that refer to the contract (e.g. periods of notice, payment reminders, withdrawal) have to be submitted in writing. In accordance with these GTCP, written form includes hand-written form and printed or electronic form (e.g. letter, email, telefax). Regulations regarding legally-correct form and provision of evidence, in particular in case of doubt about the legitimacy of the declaring party, remain unaffected.
- (6) Any references to the validity of legal regulations are only for the sake of clarity. Even without such a clarifying reference, all applicable legal regulations are valid, unless they are specifically amended or expressly excluded in these GTCP.

§ 2 Contract Conclusion, Offer and Acceptance

- (1) Our purchase order has binding validity at the earliest from the point of time when it has been submitted or confirmed in writing. It is the duty of the vendor to point out to us any obvious errors (e.g. typing errors or calculating errors) or omissions in the purchase order, including any additional order documents, for the purposes of correction, before acceptance of the order; otherwise, the contract will not be deemed to be concluded.
- (2) The supplier is bound to his offer for a period of two weeks. The supplier has to accept binding purchase orders from us within two weeks and in written form or, in particular cases, indicate acceptance by executing shipment of the goods without reservation.
- (3) A delay in acceptance is effectively a new offer and has to be accepted by us.

§ 3 Price and Payment

- (1) The price stipulated in the purchase order is binding. In such case that no other individual case has been agreed, this price includes all the services and additional services of the vendor (e.g. assembly, installation) as well as any incidental costs (e.g. proper packaging, transport costs including any applicable transport or liability insurance). Value-added tax (sales tax) is included in the price. We have the right to reject any additional services and costs that have not been specifically agreed.
- (2) The agreed price is due for payment within 30 calendar days of completion of all services and delivery (including any agreed customer acceptance check) and receipt of a properly-issued invoice. If we transfer payment within 14 calendar days, the vendor shall grant us a 3% cash discount to be deducted from the net amount of the invoice.
- (3) The point of time that our bank transfer order is received by our bank is decisive in determining the punctuality of payment with regard to transactions with cash discount deductions; we are not responsible for delays to the payment process caused by the banks involved.
- (4) We have no duty to pay interest on overdue payments in accordance with § 353 HGB (German Commercial Code). Applicable legal regulations are valid for delays in payment.
- (5) Place of payment is our business headquarters (place of business). All payments are made in euros. All prices set in euros will be paid by us as agreed, without taking into account any fluctuations in the exchange rate between the euro and any other currency. Under no circumstances will there be any increase in the price paid in order to compensate for currency fluctuations between the euro and another currency.
- (6) We can only process invoices if these – in accordance with the instructions in our purchase order – clearly indicate the issued purchase order number. The supplier is responsible for the consequences of any failure to adhere to this obligation.
- (7) In accordance with legal regulations, we reserve the right of retention or compensation regarding payments, as well as the right to raise objection to payment due to failure of the supplier to fulfil contractual obligations. In particular, we retain the right to withhold due payments as long as we are still awaiting appropriate settlement of claims to the vendor regarding the failure to complete services or deliveries or the failure to provide goods or services without defect.
- (8) The vendor only has the right of retention or compensation in such case that his claim to retention or compensation is legally proven or undisputed.

§ 4 Delivery, Delivery Lead Time and Delivery Delay, Performance, Transfer of Risk, Default of Acceptance

- (1) Delivery is made franco domicile (carriage paid) to the location stated in the purchase order. If the delivery destination is not given and no other agreement has been entered into, then delivery is to be made to our company headquarters (place of business). The defined delivery destination is also the place of fulfilment for the delivery and any subsequent deliveries (supplier's duty of fulfilment). The risk is not transferred to us, even when consignment has been agreed, until the goods have been handed over to us at the agreed delivery destination. In such case that a cus-

tommer acceptance check has been agreed, this will be decisive for the transfer of risk. The applicable legal regulations for goods and services still apply in the case of customer acceptance. If we have defaulted in acceptance, this is deemed equivalent to handover and customer acceptance.

- (2) The delivery lead time stated in the purchase order is binding. The supplier is obliged to notify us without delay and in writing if circumstances occur, or become known to him, that lead him to the conclusion that the specified delivery lead time cannot be adhered to. If a fixed date and/or time has been agreed for the delivery, then the supplier is in default as soon as this delivery time/date has elapsed without fulfilment of delivery, without the necessity for any further reminder or notification. In case of non-delivery or delay in delivery, we are entitled to exercise our legal rights, whilst the regulation stipulated in paragraph 3 remains unaffected. In particular, we have the right to demand damages (financial compensation) in lieu of the performance of delivery, as soon as an appropriate period of notice, subsequent to the non-delivery or delayed delivery, has elapsed.
- (3) If the vendor is in default, we can – separate to any further legal claims – demand fixed-rate compensation of our loss caused by delay, at a rate of 1% of the net price per completed calendar week, to a maximum of 5% of the net price of the goods subject to delayed delivery. We are reserved the right to prove that we have incurred a greater loss than this. The vendor is reserved the right to prove that absolutely no loss has occurred or that the loss is significantly less than the fixed-rate compensation.
- (4) The supplier has no right to perform partial deliveries without our prior written consent.
- (5) The supplier does not have the right to sub-contract the performance of services to third parties (sub-contractors) without our prior written consent. The vendor bears the procurement risk for his services, unless there is some other agreement in an individual case (e.g. restriction to goods in stock).
- (6) The delivery of chemical substances and preparations is performed in accordance with the applicable laws, in particular the regulations 1907/2006/EG (REACH regulation) and the regulation 1272/2008/EG (GHS regulation). The safety data sheet required in accordance with the REACH regulations is to be provided to us by the supplier in the German language, as well as in other languages on request.
- (7) The supplier is obliged to provide a supplier declaration and any applicable certificates of origin in accordance with customs-related legal regulations. If a long-term supplier declaration has been provided, the supplier is subsequently obliged to notify us, without delay and without request from us, of every change to the properties and attributes of the goods that has relevance with regard to preferential origin regulations. The supplier is liable for any loss or damage that occurs due to incorrect contents or improper form of the submitted declaration or due to the supplier's failure to submit the required declaration on time.
- (8) Any possible occurrence of our default of acceptance is subject to all applicable legal regulations. The vendor still has to expressly provide his service if a determined or determinable calendar date has been agreed for an action or cooperative intervention on our side (e.g. provision of material). In such case that we default on acceptance, the supplier can demand compensation for his additional costs and efforts in accordance with legal regulations (§ 304 BGB). If the contract concerns a non-fungible product manufactured by the vendor (bespoke product), the vendor only has extended rights if we have a duty of cooperation and have failed to fulfil this duty of cooperation.

§ 5 Ownership and Reservation of Ownership, Confidentiality

- (1) The transfer of goods to us has to occur unconditionally and without consideration of the payment of the price. If, however, in an individual case, we accept an offer from the vendor that makes transfer of goods conditional on payment of the purchase price, then the vendor's reservation of ownership ceases at the latest when the purchase price for the supplied goods is paid. In case of payment for the object of delivery before delivery has been performed, the supplier's ownership of, or expectant right to, the goods we have purchased is transferred to us when payment is received. In this way, the handover of the goods is replaced, in the sense that the supplier is then in indirect possession of the goods on our behalf or that the supplier gives up his legal right to recover possession of the goods from the actual owner in direct possession.
- (2) We remain entitled, in the proper course of business, even before payment of purchase price, to resell the goods in advanced assignment of the resulting claim (alternatively, simple reservation of ownership applies, with extension to the resale). In any case, this means that any other form of reserved ownership is excluded, in particular reservation of ownership that has been expanded, transferred or extended to cover further processing of the goods.
- (3) Any tools, equipment and models that we make available to the supplier, or that are produced for contractual purposes and charged especially to us, remain in our ownership or are transferred to our ownership. The supplier is required to clearly identify such items as our property, to take due care of the items, to protect the items from any form of harm and to use the items only for contractual purposes. Unless otherwise agreed, the contracting partners each bear half of the costs of storing, maintaining and repairing these items. However, the supplier bears these costs in full in any such case that the costs can be attributed to faults caused by objects manufactured by the supplier or to improper use by the supplier, his employees or any other persons working on his behalf to fulfil the order. The supplier is to notify us immediately of any damage or harm, unless insignificant, to these items. On request, he is obliged to hand over these items to us in proper condition, if they are no longer required by him for the fulfilment of contracts concluded with us.
- (4) The supplier undertakes processing, mixing or attaching of parts (further processing) on our behalf. In the case of any processing, mixing or attaching of parts (further processing), we are granted co-ownership of the new item in proportion to the value of our item in relation to the other processed items at the time of processing. The same applies to the further processing of goods delivered by us, so that we qualify as manufacturers and therefore are granted a degree of ownership of the product in accordance with legal regulations, at the latest at the time of further processing.
- (5) Any drawings, depictions, calculations, descriptions and other documents that we have made available to the supplier remain in our ownership and our subject to our copyright. Any transfer to a third party is strictly prohibited without our prior consent in writing, even after the contract has been completed. On request, the supplier is



obliged to hand over the documents to us in proper condition, if they are no longer required by him for the fulfillment of contracts concluded with us.

§ 6 Producer Liability – Exemption – Liability Insurance Protection

- (1) In such case that the supplier is responsible for damage or harm to a product, he is obliged to exempt us from any claims for compensation made by third parties in the first instance, as the cause is determined in his domain and organization and he himself assumes liability in external relations. In such case, the supplier is also obliged to reimburse any expenses that arise in the course of, or because of, a product recall executed by us. We will notify the supplier, in as far as is possible and reasonable, of the content and scope of the recall actions and will give him the opportunity to state his position.
- (2) The supplier is obliged to maintain product liability insurance with total coverage, for a lump sum payment, of 2.5 million euros per case of personal damage or material damage. In such case that we have a higher claim to compensation, this remains unaffected.

§ 7 Property Rights

- (1) The supplier is responsible for ensuring that there is no infringement of the rights of any third parties in connection with his delivery. Should it be the case that we are subject to a claim from a third party due to such an infringement of rights, then the supplier is obliged, upon first written request, to exempt us from any liability with regard to such claims. In this case we do not have the right to come to any kind of agreement with the third party regarding the alleged infringement of rights without the consent of the supplier; in particular, we are not allowed to conclude any kind of settlement with the third party.
- (2) The supplier's duty to exempt us from liability refers to all expenses we incur that necessarily arise from, or are in connection with, claims raised by third parties.

§ 8 Liability

- (1) In any such case that these GTCP, including all following stipulations, do not state anything to the contrary, we bear liability in accordance with applicable legal regulations should we fail to adhere to our contractual and non-contractual obligations.
- (2) We are liable to pay damages (compensation) – on any legitimate legal grounds – in case of intent or gross negligence on our part. In cases of simple negligence, we are only liable, subject to legal limitations of liability (e.g. due care and diligence in our own affairs, inconsiderable breach of duty), for:
 - a) damage or harm resulting from loss of life, physical injuries or health impairment,
 - b) damage or harm resulting from failure to fulfil a significant contractual obligation (an obligation whereby fulfilment is essential to facilitate proper execution of the contract and contractual partners have consistently been aware and had confidence that this obligation is adhered to); in such a case, however, our liability is limited to compensation for foreseeable, typically-occurring damage or harm.
- (3) The limitations of liability stipulated in paragraph 2 also apply to third parties and failure to fulfil an obligation by persons (even when acting in their own favour) whose actions we are held liable for in accordance with applicable legal regulations.

§ 9 Guarantee/Warranty and Provision of Spare Parts, Period of Limitation

- (1) With regard to our rights in case the goods have material defect or defect of title (including incorrect or insufficient delivery, as well as improper assembly/installation or inadequate/incorrect instructions) or there is any other failure to fulfil obligations on the side of the vendor, all applicable legal regulations apply, as well as any subsequent additions and clarifications if these are in our favour. In accordance with legal regulations, the supplier is, in particular, liable to ensure that upon transfer of risk to us, the goods have the agreed quality or – if such an agreement has not been reached – the goods are suitable for their intended purpose. Agreed quality is defined as an agreement based on any applicable product descriptions, product drawings, product specifications and samples that – especially resulting from their description or reference in our purchase order – are subjects of the applicable contract or have been included in the contract in the same way as these General Terms and Conditions of Purchase. No distinction is hereby made between product descriptions originating from us, from the supplier or from the original manufacturer.
- (2) We are not obliged to inspect the goods or to make particular enquiries about any possible defects upon conclusion of the contract. In a partial departure to § 442 para. 1 section 2 BGB, we also have an unrestricted entitlement to raise a claim due to a defect, if we have not been made aware of this defect upon contract conclusion as a result of gross negligence.
- (3) For the commercial duty to inspect goods and provide notification of quality defects, legal regulations (§§ 377, 381 BGB) apply with the following stipulations: our duty to inspect the goods is restricted to defects that become evident upon visual inspection, including the delivery papers, in the course of our goods-in procedures (e.g. damage in transit, incorrect or insufficient delivery quantity) or that become apparent in the course of spot-check inspections. Should a customer acceptance procedure have been agreed, there is no resulting duty to perform a quality inspection. As a matter of fact, it depends to what extent a quality inspection is feasible taking into consideration the circumstances of the individual case in accordance with proper business practices. Our duty to provide notification of quality defects detected at a later point of time remains unaffected. Irrespective of our duty of inspection, our notification of quality defect is, in any case, deemed to be immediate and timely if it has been sent within five working days of the detection of a quality defect or, in the case of obvious defects, within five days of delivery.
- (4) By accepting delivery or by approving submitted samples, we do not lose any of our rights under warranty.
- (5) Our legally-defined rights under warranty are unrestricted. If the supplier fails to fulfil his obligations to perform subsequent measures in a warranty case – in accordance with our choice to have the defect corrected (reworking) or to receive a defect-free item (replacement) – within the period of notice defined by us, we are then allowed to correct the defect ourselves and to demand compensation or an appropriate pre-payment from the supplier to cover our expenses in this case. If the supplier's reworking or replacement of the goods has failed or is unreasonable to us (e.g. because of particular urgency, infringement of health and safety regulations or the risk of disproportionate damage or harm occurring), no period of notice has to be observed; we will inform the supplier of any such circumstances, if pos-

sible in advance. Furthermore, in accordance with legal regulations, we are entitled to demand a reduction in the purchase price or to withdraw from the contract.

- (6) Subsequent measures for the reworking or replacement of an item also include the removal of the defective item and the installation of the corrected item or replacement item, in such case that the item was installed in or mounted on another object, in accordance with its form and intended purpose, before any defect was detected; our legal entitlement to compensation for any expenses (installation and removal) we have incurred remains unaffected. The supplier has to bear the costs incurred for the purpose of inspection and correction of defects or delivery of replacements, in particular transport costs, travel costs, labour costs and material costs (including any possible installation and removal costs), even if it should prove to be the case that there has not been any actual defect. Our liability to pay damages (compensation) for unjustified demands to correct defects remains unaffected; this means that we are only liable in such case that we have recognized, or due to gross negligence have failed to recognize, that there is no defect. The right to compensation for damage and expenses incurred remains unaffected.
- (7) In departure to §438 para. 1 no. 3 BGB the period of limitation is defined as 36 months from transfer of risk, or if a customer acceptance check has been agreed, from customer acceptance. In such case that it is defined by law, the statutory period of limitation is given to be five years from the transfer of risk, if the object of delivery is intended to be used for a structure, and this object of delivery has caused the defectiveness of the said structure. The three-year period of limitation also applies to claims resulting from defects of title, subject to the fact that the statutory period of limitation for in rem claims to return of third parties (§ 438 para. 1 no. 1 BGB) remain unaffected; in addition, claims resulting from defects of title are not subject to any period of limitation as long as the third party can still exercise the right – especially where no period of limitation applies – to take legal action against us.
- (8) From the point of time that the supplier receives our written notification of defect, the period of limitation for warranty/guarantee claims is suspended. Upon delivery of replacement items or correction of defects, the period of limitation for replacement or corrected items starts again, with the exception of measures taken by the supplier exclusively on the basis of goodwill.
- (9) The periods of limitation for sales and purchase rights, including the above-mentioned addition, apply – in their legal scope – to all contractual claims due to defect. In such case that non-contractual claims for compensation due to defect have been raised against us, the regular statutory period of limitation applies (§§ 195, 199 BGB), unless the application of the period of limitation of particular sales and purchase rights in an individual case leads to a longer period of limitation.
- (10) The supplier is obliged to provide spare parts for the products delivered to us for a period of at least 10 years from the date of delivery. If the supplier intends to discontinue the production of spare parts for the products delivered to us, he has to notify us immediately of such a decision and this notification must be at least six months before the production is discontinued.

§ 10 Recourse Against Suppliers

- (1) Our legal right to raise claims for damages and recourse within a supply chain (recourse against suppliers in accordance with §§ 478, 445a, 445b BGB), alongside our right to raise claims due to defect, is unrestricted. In particular, we are entitled to demand from the vendor that he executes exactly the kind of subsequent fulfilment (correction or replacement delivery) that we owe to our customer in a particular case. Our legal right to choose (§439 para. 1 BGB) is not restricted in such cases.
- (2) Before we recognise or fulfil a claim due to defect (including claim for damages in accordance with §§ 445a para. 1, 439 para. 2, 3, 6.2, 475 para. 4 BGB) raised by our customer, we will notify the vendor and request a written response based on a brief outline of the situation. If no meaningful and significant response has not been received within an appropriate period of time and no amicable solution has been proposed, then our claim based on defect, in accordance with what is due to our customer, will be deemed to have proven validity. In such case that this is not acceptable to the vendor, he is obliged to provide evidence to the contrary.
- (3) Our claims based on recourse against the supplier also apply if the defective item is combined with another product or is used in further processing, e.g. during installation, mounting or fitting, by us, by our customer or by a third party.

§ 11 Compensation, Right to Refuse Performance, Assignment

- (1) The supplier expressly declares his agreement that a claim for compensation for amounts due is possible on our side without restriction and that this does not in any way affect our legal right to refuse performance and right of retention.
- (2) The supplier has no right to assign claims based on our contractual relationship to a third party. This does not apply in such case that the claim is a claim for financial compensation and the legal transaction on which the claim is based is a commercial transaction for both parties.

§ 12 Severability Clause, Choice of Law and Place of Jurisdiction

- (1) Should any stipulation of this agreement be deemed ineffective or invalid, the effectiveness and validity of all other stipulations is not affected.
- (2) This agreement is governed by and subject to German law. UN sales law (The United Nations Convention on Contracts for the International Sale of Goods) is not applicable.
- (3) The place of jurisdiction is our place of business; we nevertheless have the right to bring legal action (sue for damages) against the supplier at his place of residence or his place of business. Any overriding legal regulations, in particular regarding exclusive competence or jurisdiction, remain unaffected.