

General purchase terms and conditions



§ 1 GENERAL– SCOPE

- (1) Our purchase terms and conditions apply exclusively; we do not recognize conflicting or divergent terms applied by the Supplier, unless we have expressly accepted them in writing. Our purchase terms and conditions apply even if we are aware of conflicting or differing terms of the Supplier and we accept the delivery from the Supplier without reservation.
- (2) In the mutual interest and in order to avoid confusion, all agreements made between us and the Supplier shall be in writing. Additional conditions or contractual clauses inserted by the Supplier shall be considered as rejected, unless we have agreed to these additional provisions in writing.
- (3) Our Conditions of Purchase apply solely to entrepreneurs pursuant to § 310 (1) of the BGB [German Civil Code].

§ 2 OFFER – OFFER DOCUMENTS

- (1) The Supplier is obliged to accept our order within a period of 2 weeks
- (2) We retain the intellectual property rights and copyright to all illustrations, drawings, calculations and other documentation, which may not be made available to third parties without our express written consent. They shall be used exclusively for production based on our order; and must be returned to us unsolicited after the order is processed. They must be kept secret from third parties, and the provisions of § 9 (4) shall apply additionally.

§ 3 PRICES – PAYMENT TERMS

- (1) The price shown in the order is binding. In the absence of a deviating written agreement, the price shall include "carriage free" delivery, including packaging. Return of the packaging requires a special agreement.
- (2) The statutory VAT will be shown separately.
- (3) We can only process invoices if - in accordance with the specifications in our order - the designated order number is shown therein. The Supplier shall be responsible for all consequences of non-compliance with this obligation, unless he can prove that he was not at fault.

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- (4) Unless otherwise agreed, we shall pay the purchase price within 14 days of the date of delivery and receipt of the invoice, with a 3% discount, or net within 30 days of receipt of the invoice.
- (5) We are entitled to offset claims or withhold payment to the extent permissible by law.

§ 4 DELIVERY PERIOD

- (1) The delivery date stated in the purchase order is binding.
- (2) The Supplier is obliged to inform us immediately in writing if circumstances arise or become known to him, which indicate that the specified delivery date cannot be adhered to.
- (3) In the event of a delay in delivery, we shall be entitled to demand lump-sum damages in the amount of 1% of the value of the delivery per full week, but not exceeding 10%. We reserve the right to further legal claims. The Supplier shall be entitled to prove that no damage or negligible damage has been incurred as a result of the delay.

§ 5 TRANSFER OF RISK - DOCUMENTS

- (1) Delivery must be free of charge, unless otherwise agreed in writing.
- (2) The Supplier is obliged to state our order number on all shipping documents and delivery notes. Should he fail to do so, we shall not be responsible for any resulting delays in processing

§ 6 INSPECTION FOR DEFECTS – LIABILITY FOR DEFECTS

- (1) We are obliged to examine the goods for any deviations in quality and quantity within a reasonable period of time. The notification of defects shall be deemed to have been submitted in good time if it is received by the Supplier within a period of 5 working days of receipt of the goods, or in the case of hidden defects, from the time of their discovery.
- (2) We are entitled in full to the claims for defects provided by law. In any case, we are entitled, at our own discretion, to demand that the Supplier remedy the defect or deliver a new item. The right to compensation for damages, and in particular to damages in lieu of performance, is expressly reserved.

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- (3) We are entitled to remedy the defects ourselves at the Supplier's expense if there is danger in delay or if, because of special urgency, it is no longer possible to inform the Supplier of the defect and impending damage and grant the Supplier a grace period - even a short period - to repair the defect.
- (4) The limitation period is 36 months after the risk has been transferred.

§ 7 PRODUCT LIABILITY - EXEMPTION - LIABILITY INSURANCE PROTECTION

- (1) If the Supplier is responsible for a product defect, he is obliged to indemnify us from claims for damages by third parties at our initial request insofar as the cause lies within the Supplier's sphere of control and organisation and he himself is liable with respect to third parties.
- (2) Within the context of his liability for claims in the sense of paragraph (1); the Supplier is also obliged to reimburse any expenses pursuant to §§ 683, 670 of the German Civil Code or pursuant to §§ 830, 840, 426 of the German Civil Code, which arise from or in connection with any recall actions initiated by us. Where feasible and reasonable, we will inform the Supplier about the content and scope of the recall and give him the opportunity to respond. This does not affect other legal claims.
- (3) The Supplier undertakes to hold product liability insurance with an insured sum of €5 million per instance of personal injury/property damage - lump sum. If we are entitled to further claims for damages, these shall remain unaffected.

§ 8 PROPERTY RIGHTS

- (1) The Supplier shall be liable for damages arising in connection with the infringement of third party rights through his delivery for which he is responsible.
- (2) If a claim is made against us by a third party as a result of such an infringement, the Supplier is obliged to indemnify us from these claims upon the first written request. We are not entitled to enter into any agreements with the third party without the consent of the Supplier, and, in particular, not to agree on a settlement.
- (3) The Supplier's indemnification obligation refers to any necessary expenses incurred by us as a result of, or in connection with, a third-party claim.
- (4) The limitation period for such claims is three years, starting from the conclusion of the respective contract.

§ 9 RETENTION OF TITLE - PROVISION OF MATERIALS - TOOLS- CONFIDENTIALITY

- (1) Where we provide parts to the Supplier, we retain title thereto. Processing or transformation will be carried out by the Supplier on our behalf. If the goods supplied by us under retention of title are processed with other items that do not belong to us, then we shall acquire co-ownership of the new item in the ratio of the value of our item (purchase price plus value-added tax) compared to the value of the other items at the time of processing.
- (2) If the item provided by us is inseparably mixed with other items that do not belong to us, we shall then acquire co-ownership of the new item in the ratio of the value of our reserved item (purchase price plus value-added tax) compared to the value of the other items at the time of mixing. If the mixing is carried out in such a manner that the Supplier's item can be regarded as the main item, it is hereby agreed that the Supplier will transfer co-ownership to us on a pro-rata basis. The Supplier shall safeguard the sole or co-ownership for us.
- (3) We reserve the title to all tools provided by us to the Supplier. The Supplier undertakes to use the tools solely to manufacture the goods that we order. The Supplier is obliged to take out at his own expense a new-for-old insurance policy to protect the tools belonging to us against fire, water damage and theft. At the same time, the Supplier shall assign to us as of now all rights to claim compensation from this insurance. We hereby accept such assignment. The Supplier is obliged to perform any necessary maintenance and inspection work on our tools, as well as all servicing and repair work at his own expense and in a timely manner. He must notify us immediately of any faults. If he culpably fails to do so, we will remain entitled to claim damages.
- (4) The Supplier is obliged to treat all illustrations, drawings, calculations and other documents and information received as strictly confidential. They may only be disclosed to third parties with our explicit consent. The obligation to maintain confidentiality shall also apply after the contract has been executed. It shall expire if and insofar as the production knowledge contained in the illustrations, drawings, calculations and other documents has become generally known.
- (5) Insofar as the security interests pursuant to Para. (1) and/or Para. (2) exceed the purchase price of all the unpaid goods under our retention of title by more than 10%, we are obliged to release the security rights at the Supplier's request and at our discretion.

§ 10 MINIMUM WAGE

- (1) The Supplier shall ensure that his workers (insofar as they are employed in Germany) are paid at least the statutory minimum wage, no later than the due date set out in Section 2 para. 1 MiLoG [German Minimum Wage Act]. In addition, he shall ensure that he complies with all other obligations arising out of the Minimum Wage Act, in particular
 - in accordance with § 17 MiLoG, record the start, end and duration of daily working hours of his employees no later than the end of the seventh calendar day following the day the work is performed, and these records are to be kept for at least two years beginning from the date they were recorded;
 - in accordance with § 16 MiLoG, as an employer domiciled abroad, before beginning any work or service to submit a written declaration in German to the competent authority of the customs administration.
- (2) The Supplier undertakes upon request to make available for our inspection work records for the employees, as well as the wage and payroll details in anonymised form in accordance with the data protection principles, so that we can check whether the Supplier is paying his workers the minimum wage. Likewise, the Supplier shall, upon request, provide proof of timely payment of the minimum wage to its workers. In the event that the Supplier uses subcontractors, he must check this on request and upon request prove to us that he has carried out the checks and these checks do not constitute a violation of the minimum wage law.
- (3) The Supplier further undertakes to truthfully and fully answer our enquiries on compliance with the provisions of the minimum wage law. The Supplier shall immediately submit documents requested by us. Insofar as there may be a pending investigation against the Supplier or his subcontractors/temporary work contractor relating to suspicion of violating the minimum wage law, the Supplier must notify us immediately thereof and inform us of the status of the investigation.
- (4) We shall be entitled to exceptionally terminate the contract immediately if it turns out that the Supplier has not paid the minimum wage to his workers or subcontractors, that he fails to pay his workers the legal minimum wage, or if the Supplier uses workers of a service provider who are not paid the statutory minimum wage. In addition, we shall be entitled to terminate the contract extraordinarily without notice if the Supplier violates other obligations arising from the minimum wage law or the obligations assumed in this agreement. In all of these cases, extraordinary termination without a previous warning/a grace period is permitted.

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- (5) To the extent that the Supplier has not paid his workers the legal minimum wage or not in a timely manner, he must pay a contractual penalty amounting to 3% of the net order value for each case of infringement. Any use of a worker who is not paid the statutory minimum wage is considered breach of contract. The forfeited contractual penalty shall be per employed worker per month, or part thereof, during which the worker is employed.

The same applies if the statutory minimum wage is not paid to workers of contractors/temporary employment agencies used by the Supplier and the Supplier has knowledge of this or has not checked compliance with the minimum wage.

The employer explicitly reserves the right to claim further damages.

- (6) If workers of the Supplier or employees of a subcontractor engaged by the Supplier/temporary employment agency assert a claim against us under § 13 MiLoG, the Supplier shall indemnify us from all asserted claims and for all related costs incurred.

The Supplier is also obliged to indemnify us for all regulatory requirements, including specified administrative fines and as well as the costs incurred in relation to legal proceedings and defence costs, provided that the asserted claims and receivables are based on an alleged violation of the Supplier or a subcontractor/temporary employment agency used by this company on the basis of the obligations under the minimum wage law.

§11 CONFLICT MINERALS

To the extent that the Supplier delivers to us conflict minerals within the meaning of the U.S. federal law "Dodd-Frank Act Section 1502" (conflict minerals) in the current respective version, he must disclose the origin of the conflict minerals prior to delivery. Conflict minerals under this provision are columbite-tantalite (coltan), cassiterite (tin ore), gold, wolframite, and their derivatives including tungsten, tin and tantalum.

§ 12 JURISDICTION – APPLICABLE LAW – PLACE OF PERFORMANCE

- (1) If the Supplier is a merchant, our registered office shall be the place of jurisdiction; however, we are also entitled to sue the Supplier at the court of his headquarters.
- (2) The law of the Federal Republic of Germany, excluding the UN Sales Convention, applies.

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- (3) Unless otherwise indicated in the order, the place of performance is the location of our registered office.

§ 13 AUTHORITATIVE VERSION

The conditions are available in German and English. The English version is for reading purposes only. In the event of discrepancies between the German and the English version, the German version is the authoritative version and is legally binding.