

## General Purchasing Terms

VD 0001 ED: 11  
Date: February 2019

### 1. General

The following terms shall apply for all contracts concluded between Supplier and Customer, unless individual contractual agreements have been explicitly made. Any additional or deviating terms and conditions of Supplier shall not become object of the contract, even if Customer does not explicitly contradict them.

Modifications of the supplied goods or services shall be permitted in regards to quality and quantity after conclusion of the contract on the Customer's request, unless this is deemed unreasonable for Supplier. Should a modification necessitate an adjustment of the remuneration, this shall be determined by mutual agreement. Modifications of and amendments shall require written form. Verbal agreements shall only be legally valid if they are confirmed in writing by Customer.

Customer expressly waives any freight forwarder's insurance.

### 2. Order, delivery

Should an order not be confirmed by Supplier in writing or deemed accepted without reservation within the stipulated period of delivery, however, at the latest within two weeks upon receipt, Customer shall be entitled to cancel the order, any other rights notwithstanding.

Objects to be supplied must be properly packed and dispatched. Regulations for packaging and dispatch shall be adhered to. Each dispatch shall be furnished with dispatch notes or packing slip. All documents shall state order number, material number, quantity and designations of Customer as required in the order.

### 3. Delivery date and place of performance

The agreed delivery date is binding. Preliminary deliveries are only permitted upon Customer's agreement. Timeliness of deliveries shall be determined according to the receipt of goods at the dispatch address stated by Customer, without installation or set-up. Timeliness of deliveries involving set-up, installation or services shall depend on the goods' readiness for acceptance.

Place of performance for deliveries or services of the Supplier shall be the delivery address stated in the order, based on DDP Incoterms 2010. Should a delivery address not be stated, Customer's address shall be deemed the place of performance.

Supplier is obliged to inform the Customer promptly of any supply bottlenecks.

Supplier is obliged to inform the Customer of any possibly defective products and make arrangements for clearance.

### 4. Warranty, property rights, obligation to examine and notify in case of defects

The supplied objects shall be provided to Customer free of third-party property rights and rights of use. Should this obligation not be fulfilled, Customer shall be exempted from claims by third parties. Customer reserves the right to claim indemnification of any related damages from Supplier.

Warranty period shall be 36 months upon date of incoming goods / goods received. Should the legal provisions for warranty claims stipulate a shorter lapse of time, a period of three years shall be stipulated in its place.

Customer inspects consignments after delivery by Supplier, insofar this can be done in the regular course of business, at least for quantity variances and divergences in identity transport damage as well as obvious defects. The requirement to make a claim shall be deemed to have been raised if the determined deficiencies are notified to the supplier within four (4) weeks after receipt of consignment or, in the case of concealed defects, in the same period after ascertainment thereof.

Legal warranty claims notwithstanding, Customer shall have the right to have defects remedied either by repair or replacement.

Supplier shall bear all expenses in connection with the identification of defects and remedy thereof.

### 5. User rights

The Supplier grants the Customer the non-exclusive right, unlimited by time and location a) to utilize supplied goods and/or services, including related documentation, to integrate supplied goods and services into other products and to commercialize them worldwide; b) to utilize software and related documentation in combination with the supplied goods and services, with the installation, the commissioning, the test and the operation of this software; c) to grant sub-licenses to and/or allow utilization of software by affiliated companies, distributors and final customers and to grant those the right to sub-license and/or transfer the Software respectively. On the date of order confirmation at the latest, the Supplier is obliged

to notify the Customer about any "Open Source Software" in the ordered goods and/or services. In case the Supplier notifies the Customer about the utilization of "Open Source Software" at the time of the order confirmation, the Customer is entitled to cancel the order within 10 days after receipt of this information without incurring costs.

### 6. Quality

The Supplier guarantees that his products comply with the technical documents agreed on as part of the order, such as specification, delivery specification, drawings, company standards and test instructions.

The Supplier guarantees further that his products are continually upgraded to match state-of-the-art technology.

Modifications, especially to the type of composition of the material used and/or the design and/or the production process of the products to be supplied to the Customer, must be reported to the Customer in time before the planned implementation in order to clarify further procedures. These modifications require the written consent of the Customer.

The Supplier should preferably also have a certified quality management system according to ISO 9001 and allows the Customer and the Customer's Clients, with timely prior notice, to check the quality system in his production facility during the normal working hours of the Supplier (Quality Audit).

In these quality audits, the Supplier shall provide the Customer and the Customer's Clients with all the necessary documents and information, and shall supply all information requested by them.

In addition, Supplier acknowledges the right of Customer, the Customer's customer and the authorized inspection agency, in conjunction with or through Customer, to review the Supplier's documentation required by the applicable QA program (e.g. KTA, CSA-N299.3) standard or specification and have access to the Supplier's premises or working area to facilitate audits and surveys, and verify that Supplier complies with specified requirements.

Supplier must prove to comply with requirements for prevention and detection of "counterfeit fraudulent, or suspect items" (CFSIs).

In the event of quality problems, which are caused by goods or services of a sub-supplier of the Supplier, both parties shall, upon request of the Customer, agree on the performance of a joint quality audit at the sub-supplier's premise.

### 7. Withdrawal for special reasons/right to audit

Customer shall have the right to withdraw immediately from the contract or refuse acceptance of the service and make a damage claim, if a staff member concerned with awarding the order, with supervision, management, inspection or with the processing of the supply/services in any way has been, directly or indirectly, promised, conceded, offered or awarded personal advantages of any kind by Supplier.

In the case of suspicion of breach of law or for the purpose of a sample, Customer shall be entitled to claim or arrange an audit at Supplier's premise. Said audit shall be executed by an auditor selected by Customer. Said auditor shall treat as confidential the results of the audit and shall communicate them to Customer only in case the suspicion has been confirmed. Customer shall bear the costs of the audit if the suspicion is not confirmed; otherwise Supplier shall be obliged to bear the costs incurred.

Customer shall have the right against Supplier to refuse payment owed from already incurred claims, until Supplier agrees to an audit by an auditor requested by Customer. Further, Customer shall be entitled to extraordinary cancellation of the contract if Supplier refuses the audit.

Customer shall be entitled to withdraw immediately from the contract if insolvency proceedings have been initiated against Supplier's assets. The same shall apply if Supplier's claims existing against Customer are impounded.

### 8. Penalty of breach of contract, liability

Should Supplier be in default with the supplies/services, he shall owe to the Customer for each commenced week of said delay 0.5 per cent of the total value of the order up to 5 per cent as penalty for breach of contract, without need for proof of damages or disadvantages. Other claims, especially further indemnification claims as well as the obligation of the Supplier to comply with the original delivery schedule shall remain unaffected by this.

Supplier shall be liable for any damages pursuant to legal regulations.

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### 9. Provision

Objects of any kind left by Customer at Supplier's premises, seat or similar places remain the property of Customer. They may only be used for execution of the ordered supplies and services.

Supplier shall be obliged to carry out, at his own expense, any required maintenance and inspection work, as well as to provide adequate insurance for the objects left to him with proof of this to Customer upon request.

### 10. Invoice, payment

A single copy of the invoice is required stating order number, type, scope and time of delivery, price per item as well as sales tax.

Payment shall be made by means of bank transfer under the terms and conditions stated in the order upon contractual delivery/service and receipt of invoice.

### 11. Assignment of claim, offsetting or retention of payments

Supplier shall have the right to cede his claims only upon Customer's prior agreement.

Setoff of claims on the part of Supplier shall only be possible with undisputed or legally valid claims.

Supplier's right of retention shall be excluded.

### 12. Obligation of information and due diligence

As soon as Customer has informed Supplier concerning the intended use of the supplies or services, or if the intended use is obvious to Supplier even without explicit information, Supplier shall be obliged to inform Customer immediately if Supplier's supplies or services are unsuitable for fulfilling said intended use.

Circumstances that may lead to jeopardizing fulfillment of agreed delivery times shall be communicated to Customer immediately and in writing for clarification of further proceeding.

Supplier shall inform Customer immediately and in writing about modifications to the composition of the processed material or the design of supplies or services of the same type supplied to the Customer up to that time. Said modifications require Customer's written agreement.

Supplier shall ensure that supplies and services comply with the environmental laws, the laws for accident prevention and other health and safety regulations, the safety rules as well as all legal requirements valid in the Federal Republic of Germany, and shall inform Customer about special, not generally known requirements concerning treatment and disposal for each supply.

### 13. Confidentiality

Supplier shall agree to treat confidentially any not generally known commercial and technical information and documents about which he may have acquired knowledge in the course of the business relationship, and shall agree to use said information solely for the purpose of providing the ordered supplies and services. Possible sub-suppliers must comply accordingly.

### 14. Data protection

Supplier shall agree that the stated data, insofar as this is permitted according to the (German or other applicable) Data Protection Law, shall be saved by Customer and that said data may be processed.

The Supplier must ensure that all data, which is qualified as personal data according to the (German) Federal Data Protection Law, and which is or might be disclosed to the Supplier throughout the order and its performance, be neither saved nor processed in any other way.

### 15. Compliance with German minimum wages legislation (applicable for Germany only)

If the German Law on Minimum Wages (MiLoG) should apply to the Supplier and/or his sub-suppliers, and if the Supplier and/or sub-suppliers provide work or services to the Customer, the Supplier is obliged to ensure that all legal requirements of the MiLoG in its up-to-date version are fulfilled. Furthermore, the Supplier shall ensure that he will subcontract only such sub-suppliers who comply with the requirements of the MiLoG and who have confirmed this in written form. The Customer may request from time to time that the Supplier provide documentation of such written confirmations from the sub-suppliers. The Supplier shall hold the Customer harmless for any claims which might occur against him in relation to non-compliance of the MiLoG by the Supplier or his sub-suppliers. The exemption from liability of the Customer becomes applicable at the time a formal claim is made by a third

party. The Supplier shall be liable for damages which occur to the Customer due to the non-compliance of the MiLoG stipulations by the Supplier or his sub-supplier.

### 16. Compliance with worker's safety requirements / safety in the supply chain

The Supplier guarantees compliance with the internationally acknowledged basic standards for workers' safety, health and environmental safety, workers' rights, human rights and the rules of responsible management. The Customer's "Supplier Code of Conduct" that is currently in force shall apply.

### 17. Origin of the goods

The Supplier shall furnish on his commercial documents the non-preferential origin of all products (country of origin). Upon request by the Customer, the Supplier shall provide a certificate of origin for the goods delivered.

The goods shall comply with all conditions of origin of the relevant bi- or multilateral preferential agreements, or any unilateral conditions of origin of the Generalized System of Preferences, provided the goods are regarded as being covered under those trading regulations.

### 18. Compliance with export and embargo stipulations

The Supplier shall comply with all applicable national and international custom- and export-related laws and regulations. Within ten business days after date of order at the latest, and for any other relevant changes, the Supplier shall without undue delay provide all information and details the Customer needs in order to comply with all foreign trade regulations regarding the export, import or re-export of goods, especially – but not limited to – the following:

- all applicable export list numbers including the Export Control Classification Number according to the U.S. Commerce Control List (ECCN);
- the commodity code numbers according to the current commodity classification for foreign trade statistics and the Harmonized System Code; and
- the country of origin (non-preferential origin) and, upon request of the Customer, all supplier declarations of the preferential origin (for European suppliers) or the preferential certificate (for non-European suppliers).

The Supplier shall inform the Customer in detail and in written form about all existing or potential authorization requirements for (re-)exports according to national export and custom laws and the regulations concerning the country of origin of the goods or services.

If the Supplier violates one of the stipulations of the present clause, he shall indemnify the Customer for all damages or losses, which are caused by this directly or indirectly.

### 19. Product-related environmental protection; declaration obligations; hazardous goods

In case the Supplier delivers goods that contain substances, which, at the time of the formal order, are subject to statutorily imposed substance restrictions and/or information requirements (e.g. REACH, RoHS, etc.), then the Supplier must declare such substances, upon delivery of those products at the latest, insofar as the relevant laws and regulations apply at the designated delivery point.

The Supplier is obliged to comply with all obligations of the REACH regulation (EU regulation 1907/2006/EG) which are incumbent upon him with regard to delivery of goods. Particularly for the cases listed in Art. 31 No. 1 to 3 of the REACH regulation, the Supplier has to provide a security data sheet for the goods, in the language of the country of final destination. Furthermore, the Supplier guarantees that all substances in the goods delivered to the Customer comply with the REACH regulation and the intended purpose of the goods as specified by the Customer, and that they are duly and legally pre-registered/registered or formally authorized, provided no exceptions to those obligations apply. In case the goods which are to be delivered by the Supplier contain other substances or goods, which, according to international regulations are classified as hazardous goods, the Supplier shall notify the Customer in the agreed form, at the latest at the time of order confirmation.

The Supplier should preferably also have a certified environmental management system ISO 14001 and/or ISO 50001 which the Supplier has – if available - to prove on Customer's request.

The Supplier undertakes to pay attention to energy efficiency in his products and to avoid unnecessary waste of energy and, if possible, to orientate himself according to the latest technology on energy efficiency..

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### 20. Jurisdiction

Place of jurisdiction shall be Warstein.

### 21. Legal basis

The contract shall be solely subject to the law of the Federal Republic of Germany, excluding the UN-Convention on Contracts for the International Sale of Goods of April 11, 1980.

### 22. Validity

Should one or more of the above terms and conditions become invalid, it shall not affect the validity of the other provisions.