

General Terms and Conditions of Purchasing and Ordering

Last update: 01. February 2019

1) General provisions, scope

- 1) Our Terms and Conditions of Purchasing and Ordering (hereinafter: "**Purchase Terms**") as set forth herein shall apply exclusively for all supplies, services and quotations provided by our suppliers and contractors (hereinafter: "**Supplier**").
- 2) Any terms of our Suppliers or third parties shall not apply regardless of whether or not we have specifically objected to such. Even if we accept goods or services without reservation in awareness of terms conflicting with or varying from our terms and conditions, our Purchase Terms shall apply when accepting goods or services. If we have communicated our Purchase Terms to a Supplier in an ongoing business relationship, said Terms shall apply as amended even when we place an order without expressly including our Purchase Terms therein.
- 3) Said Purchase Terms shall only apply vis à vis entrepreneurs, legal entities under public law or special funds under public law in the meaning of Section 310 para. 1 BGB (German Civil Code).

2) Formation of contract

- 1) All agreements made between us and Supplier with respect to each contract shall be based on our written purchase order and the Purchase Terms herein. No verbal collateral agreements have been made.
- 2) Any quotes made by Suppliers are free of charge for us. Should said quotes deviate from our request for quotation, Supplier must specifically indicate such deviation to us.
- 3) Every order shall be confirmed in writing and state our complete purchase order data. We may cancel the purchase order if Supplier fails to send confirmation of such to us within 5 business days of receipt of order.
- 4) A late confirmation shall be deemed to constitute a new quote and shall require our acceptance.

3) Delivery time and delay

- 1) The agreed delivery time or time of performance shall commence on the date of our purchase order. Supplier shall strictly comply with the delivery dates, which are binding.
- 2) Supplier shall be obligated to inform us without undue delay in writing if for any reason Supplier is unable to deliver on the agreed delivery dates.
- 3) Should goods or services be provided prior to the date specified, we may refuse acceptance. We may also refuse to accept partial shipments. If necessary, we may return goods or services or store such at third parties' sites at Supplier's cost and risk.
- 4) If the latest date for delivery can be stated as calendar date under the contract, Supplier shall be deemed to be in default after this date has expired without our being required to send a reminder.
- 5) Should Supplier fail to provide the goods or services or fail to provide the same within the agreed delivery date, or should Supplier be in default, our rights shall be based on statutory provisions, including the right of termination and the right to claim damages in lieu of performance after an appropriate grace period has expired.
- 6) In the event of default and after an appropriate grace period set by us has expired, we shall also be entitled to contract a third party at Supplier's cost to perform the services that Supplier failed to provide.
- 7) If Supplier is in default, we may charge a contractual penalty of 0.3 % for every business day delivery is late, but no more than 5 % of each net order value; we reserve the right to seek compensation for any other losses suffered. The contractual penalty shall be credited to the damage caused by late delivery that is to be paid by Supplier.
- 8) Acceptance of late performance shall not constitute a waiver of any claims for damages we might be entitled to assert. In such case we shall assert the contractual penalty at the latest with the final payment.

4) Performance, Delivery, Passage of Risk, Default of Acceptance

- 1) The destination or delivery address specified by us shall be the place of performance for the goods or services to be provided by Supplier. If the destination is not specified and unless

agreed otherwise, deliveries shall be effected to our place of business in Heidelberg. The destination specified is also the place of performance (duty to deliver).

- 2) Each shipment shall be provided with a verifiable delivery note stating the date (issue date and shipment), content of the shipment (item number and quantity), and our purchase order code (date and number). Supplier shall be liable for any consequences resulting from noncompliance with said obligation unless Supplier is able to prove that such consequences were beyond Supplier's control.
- 3) In the case of drop shipments a detailed dispatch note or a copy of the delivery note with the same details shall be sent to us in due time. Delivery notes and dispatch notes must not contain any pricing information.
- 4) The risk of accidental loss or accidental damage to the goods shall pass to us as soon as the items are delivered to the place of performance. If so agreed, acceptance of delivery shall be deemed to constitute acknowledgment that a transfer of risk has occurred. German provisions governing service and work contracts (Werkvertragsrecht) shall also apply in all other respects for the acceptance of delivery. Said provisions for delivery and/or acceptance shall still apply when we default in taking delivery.
- 5) Supplier may not assign the services to be rendered to us to third parties (e.g. sub-contractors) without our prior written consent.
- 6) Suppliers, their staff and other vicarious agents who have to enter our premises to provide their goods and services shall be obligated to comply with our site rules.

5) Prices and terms of payment

- 1) The applicable prices agreed upon are firm-fixed-prices and include freight, packaging and any other charges, with DDP (Delivered Duty Paid) to the destination / delivery address stated by us. Even in the case of long-term supply contracts we will not accept any price increases for any reason unless a specific agreement has been concluded pursuant thereto. All prices include applicable value-added tax unless such is stated separately.
- 2) Unless specifically agreed otherwise, the price shall include all services and related services rendered by Supplier (e.g. assembly, installation) and any additional charges (e.g. proper packaging, freight costs including any transportation and liability insurance, travel expenses, provisions of tools, additional expenses). Supplier shall take back packaging material at our request.
- 3) Immediately after shipment of goods, invoices shall be issued in duplicate for each individual order, detailing the purchase order number, and sent to our registered office in Heidelberg. Invoices must meet the requirements stated under Section 14 UStG (German Turnover Tax Law).
- 4) Unless agreed otherwise, payment shall be effected within 30 days with a 3 % cash discount from the date of goods and services provided and receipt of invoice, or after 60 days with a 2% cash discount, or net cash after 90 days. The cash discount is deducted from the invoice total including value-added tax. Deadlines shall commence upon receipt of invoice or, if the goods or services are delivered after the receipt of invoice, upon accepting the goods or services without any complaints, never however, prior to the date agreed for receipt of goods. When bank transfers are made, payment shall be deemed to be made in due time when our remittance order has been received by our bank prior to the end of the payment period; we shall not be liable for any delay caused by the banks involved in the payment process.
- 5) Interest on arrears is 5 per cent above the base rate. Statutory provisions shall determine at which point in time we are deemed to be in delay.
- 6) We may exercise rights of setoff or retention and raise the defense of non-performance of the contract as provided by law. We may retain any payments due, in particular as long as we still have claims against Supplier due to incomplete or defective services provided.

6) Retention of title

- 1) We accept the simple retention of title clause for the goods provided by Supplier. Any other retention of title clauses, more specifically the current-account clause, the extended clause and the enlarged clause pertaining to subsequent processing shall thus be excluded. Any other retention of title clauses shall require our express approval to be valid.
- 2) Any processing, mixing or combination (subsequent processing) of our goods with goods from other parties by Supplier shall be deemed to be on our behalf. The same shall apply when we subsequently process the goods, i.e. we shall be deemed to be the manufacturer and acquire

ownership in the product in accordance with relevant statutory provisions at the latest with the subsequent processing.

7) Warranty claims – assertion of claims and statute of limitations

- 1) The duty to inspect goods and to notify Supplier of any defects shall be governed by statutory provisions (Sections 377 and 381 HGB - German Commercial Code) with the following provisions: Our duty to inspect goods shall be limited to defects that are immediately evident (e.g. in-transit damage, incorrect and short delivery) in visual inspections including the shipping documents and in making quality control spot checks. If acceptance of delivery has been agreed upon, we shall not be obliged to inspect the goods. In other respects it depends on to which extent an inspection is expedient, taking into account the circumstances of each case.
- 2) Any notice of defect shall be deemed to have been filed without undue delay and in due time if sent within 7 business days following the delivery of goods to the destination specified by us or, in the case of latent defects, if sent to Supplier within 10 business days after the defect has been discovered. If Supplier has fraudulently concealed defects in the goods, it may not claim that no notice of defect was made.
- 3) If goods or services have defects in quality or title (including incorrect or short deliveries or improper assembly, poor fitting, working, or operating instructions) and if Supplier is in breach of other obligations we may assert any statutory rights pertaining to defects. In any case, we may demand that Supplier remedy the defect or ship a replacement. In such case, Supplier shall assume any expenses incurred in removing the defect or when shipping a replacement. If Supplier fails to ship a replacement within an appropriate grace period or ships an inadequate replacement, or if defects must be immediately remedied for any reason whatsoever, we may have the defects remedied at Supplier's cost or purchase goods in replacement at Supplier's cost. We expressly reserve our right to claim damages, and specifically the right to damages in lieu of performance.
- 4) Supplier shall be particularly liable for ensuring that the goods delivered comply with the conditions agreed upon at the passage of risk. Product descriptions that are subject matter of the relevant contract because they were specifically identified or referred to in our purchase order or that have been included in the contract in the same manner as these Purchase Terms shall be deemed to constitute an agreement on the condition and quality of the goods. Goods and services shall be at the current or foreseeable state-of-the-art and comply with any other statutory protection provisions, technical test requirements and accident-prevention regulations applicable at the time of delivery. Particularly DIN standards and VDE regulations shall be adhered to. Supplier shall also be liable for the quality of the material used, and the workmanlike design and execution of the goods and services delivered by it.
- 5) Claims for defect we may assert are subject to the following periods of limitation:
 - a, For services provided for a building or work whose result consists in the provision of planning and supervision services: 6 years following acceptance of the work.
 - b, For items that were used for a building in accordance with their normal purpose and have caused it to be defective: 6 years following delivery.
 - c, In other respects, 3 years following the delivery of goods or acceptance of work performed.
- 6) If Supplier honors its duty to ship a replacement, the statute of limitation shall re-commence for the replaced goods after their delivery, unless Supplier has expressly and correctly reserved the right during re-performance to ship a replacement only as a gesture of goodwill, to avoid disputes, or to maintain the supply relationship.
- 7) If no one or hardly anyone knows how to handle the delivery items, fitting and working instructions shall be sent to us separately without our specific request, at the latest together with the shipment, stating our purchase order number; if Supplier fails to meet this request it shall be liable for all damage that would not have occurred if the documentation had been available.

8) Property rights, confidentiality

- 1) Supplier assures that domestic or international property rights of third parties are not infringed upon in relation to its goods or services. In the event of property-right infringements Supplier shall hold us harmless against any third party claims against us. Supplier shall also be obliged to reimburse us for any expenses we might require if claims are asserted against us.
- 2) Any purchase order documents, drawings, models, samples etc. shall remain our property and may not be disclosed to third parties or used by Supplier for its own purposes without our express permission. Such shall be protected from unauthorized viewing and use and, unless agreed otherwise, shall be returned to us in proper condition at the latest upon delivery. Supplier shall not have any right of retention; this provision shall also apply to copies. The documentation shall be kept confidential vis-à-vis third parties even after the contract has terminated. The non-disclosure obligation shall only expire if and insofar as the knowledge contained in the furnished documents has become generally known.
- 3) Supplier shall refrain from disclosing to third parties any other technical data and other non-evident commercial and technical details Supplier becomes aware of during the business relationship with us. Such details may be used only when performing orders on our behalf and disclosed to employees whose involvement is required to perform the assignment.
- 4) If Supplier produces tools, drawings, or any other means of production at our expense, it is understood that we shall immediately receive title to such items after they have been produced. In the case of partial cost contribution we shall acquire co-ownership based on the pro rated cost. Supplier shall be entitled subject to revocation to hold such items in safekeeping on our behalf free of charge and with due care. We shall be granted all copyrights to such items for exclusive use. We shall reach an appropriate agreement with Supplier on the concrete terms regarding the assignment of copyright. Supplier may not use such items beyond the scope of the assignment without our consent. Supplier shall mark the items in such a manner that our ownership is also evident to third parties.
- 5) Sub-contractors shall be subjected to said obligations accordingly.
- 6) Suppliers may only cite our business relationship for promotional purposes subject to our prior written consent.

9) Manufacturer's liability, quality assurance

- 1) Should claims be asserted against us under product liability provisions, or should we suffer any other losses relating to the delivery of a defective product, particularly due to a product recall, Supplier shall hold us harmless to the extent that the loss was caused by a mistake in delivery or in Supplier's goods.
- 2) Supplier shall carry out the appropriate type and scope of state-of-the-art quality assurance steps and document all relevant data. Should product liability claims be asserted against us, Supplier shall be obligated to furnish the relevant documentation and records to us.
- 3) Supplier shall take out and maintain a product liability insurance with a lump-sum coverage of no less than EUR 5 million per personal injury and material damage. Supplier shall furnish said insurance policy at our request. This shall not affect any other claims we may assert.

10) Non-assignment

- 1) Supplier may not assign to third parties any rights arising from the contracts entered into with us without our consent.

11) Applicable Law, Legal Venue

- 1) The present Agreement shall be governed exclusively by German law; the CISG (United Nations Convention on Contracts for the International Sale of Goods) is herewith excluded.
- 2) The following provisions shall apply to our contracts concluded with Suppliers having registered office in the EU states, Switzerland, Norway, or Iceland:
The District Court of Heidelberg shall be the exclusive place of jurisdiction. We may also take legal action against Supplier with the court having jurisdiction over its registered office.
- 3) The following provisions shall apply to our contracts closed with Suppliers with registered office in countries other than the EU, Switzerland, Iceland, and Norway:
Any disputes arising out of or in connection with the goods and services ordered by us shall be permanently settled under the Rules of Arbitration of the International Chamber of Commerce (ICC) by one or more arbitrators appointed in accordance with said Rules. The legal place of arbitration shall be Heidelberg. Said arbitration proceedings shall be performed in German.