

General Conditions of Purchase

1. General information – scope

- (1) These General Conditions of Purchase only apply to entrepreneurs within the meaning of section 14 of the German Civil Code (*Bürgerliches Gesetzbuch* – BGB). They apply as amended at the time of conclusion of the respective purchase contract. Changes to these General Conditions of Purchase shall be made with due regard to the interests of the seller and shall be disclosed to the seller in text form. They shall be deemed to have been approved if the seller does not object to them in writing or in text form within six weeks. We will point this out to the seller separately.
- (2) Our order is made exclusively on the basis of these General Conditions of Purchase, which – even if they are not explicitly agreed to again – also apply to all future transactions with the seller. We do not recognise any terms of the seller or any third party that conflict with or differ from our General Conditions of Purchase, even when we do not separately refute their applicability on a case-by-case basis. Even if we refer or make reference to a letter that contains the terms and conditions of the seller or a third party, this does not constitute agreement to the applicability of those terms and conditions. Our General Conditions of Purchase also apply when we accept goods or services from the seller in the knowledge of its conflicting or differing general terms and conditions.

2. Order – order confirmation

- (1) Our order is an offer within the meaning of section 145 BGB.
- (2) Every order is to be confirmed in writing immediately on receipt, but no later than within five working days. The confirmation is not deemed to be acceptance of the order. We can cancel any orders not confirmed on time.

3. Delivery deadline, part performance, early delivery

- (1) We specify the delivery date in the order in each case and it is binding. The receipt of the item at the place of receipt or use (destination) that is specified by us is decisive for compliance with the delivery date.
- (2) Part performance is excluded and is deemed unfulfilled performance until completion. Even in the event of us accepting part performance, the seller shall bear any additional costs arising for us.
- (3) Early delivery (delivery before the agreed delivery date) is excluded. We may refuse to accept an early delivery. When receiving an early delivery, we reserve the right to return it at the seller's cost. If an early delivery is not returned when received, the item will be stored on our premises at the seller's cost and risk until the delivery date. In the event of early delivery, we reserve the right not to make the payment until the agreed due date pursuant to section 9 (1).
- (4) The seller is obliged to inform us in writing immediately if circumstances occur or become apparent that mean the delivery time cannot be met.
- (5) In the event of delivery delays, we are entitled to set an appropriate contractual penalty at our reasonable discretion that is to be reviewed by the competent court in the event of a dispute. The contractual penalty is to be deducted from the loss caused by the delay that is to be reimbursed by the seller. If we accept the delayed delivery, we are permitted to reserve the right to claim the contractual penalty until final payment.

4. Transport risk, freight and packaging

- (1) The delivery is made at the seller's risk. The risk of accidental destruction and any deterioration of the item only transfer to us on acceptance by us or by a person used to perform our obligation at the destination, including in the case of a delivery at our request.
- (2) Unless otherwise agreed, the seller shall bear the shipping costs up to acceptance by us at the destination.
- (3) The seller must always insure the item against transport damage, even when the agreed INCOTERMS provide otherwise.

5. Retention of title, reservation subject to the seller's own receipt of delivery

- (1) Any retention of the seller's title is only valid if it relates to our obligation to pay for the respective products to which the seller retains title. Extended reservations of title are not permitted. We are in any case entitled to use and process the products delivered in the ordinary course of business, particularly to install them into our devices and to sell the devices.
- (2) Any reservation of the seller's own receipt of delivery is not acknowledged.

6. Replacement of the incoming goods inspection by quality assurance agreements

- (1) The seller is obliged to take quality assurance measures and undertake quality controls with respect to the item. After receipt, we are only obliged to subject the item to a minimum check for identity, correct quantity and obvious defects, particularly for transport damage. Otherwise, the inspection duty that exists under section 377 of the German Commercial Code (*Handelsgesetzbuch* – HGB) is excluded. Our duty of notification for defects discovered later remains unaffected. In all cases, notifications of defects found can be made to the seller within 10 calendar days of finding the defect.
- (2) We charge an expense allowance of €50 per defect notification/quality report for processing the defect notification/quality report. The seller is free to prove that we have incurred a significantly lower expense or no expense.
- (3) The seller's receipt of our defect notification suspends the period of limitation for guarantee claims until the seller rejects our claims or declares the defect to be remedied or otherwise refuses to continue negotiations on our claims. In the case of replacement delivery and defect remediation, the guarantee period restarts for replaced and improved parts, unless we had to assume from the seller's behaviour that it did not consider itself obliged to take the measure, but made the replacement delivery or remedied the defect only as a gesture of goodwill or for similar reasons.

7. Guarantee of durability, warranty and liability

- (1) The seller guarantees that its goods/service will be free from defects for a period of three years from the transfer of risk and assures the functionality of the goods/service. The statutory warranty rights for material defects and legal defects to which we are entitled expire by statute of limitations within three years of the transfer of risk.

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- (2) We can also assert warranty rights when the defect was known to us on completion of the contract or remained unknown as a consequence of gross negligence.
- (3) We do not waive warranty claims through acceptance or through approval of samples or specimens provided.
- (4) Before we recognise or fulfil a defect claim asserted by our customer (including reimbursement of expenses pursuant to sections 478 (3), 439 (2) BGB), we will inform the seller and, presenting a summary of the facts, request a written opinion. If the opinion is not provided within a reasonable period and if no amicable solution is reached, then the defect claim actually conceded by us is deemed owed to the customer; in this case it is the seller's responsibility to provide rebutting evidence.
- (5) The seller is obliged to deliver corresponding spare parts on our request at the spare part prices valid at the time for a period of 15 years from the delivery of an item. Alternatively, backwards-compatible spare parts can be delivered if they ensure the function without restriction.
- (6) The seller is only entitled to set-off if its claims have been declared final, are undisputed or have been recognised by us. In addition, it is only authorised to exercise a right of lien if its counterclaim is based on the same contractual relationship.
- (7) In the event of breaches of duty, irrespective of type, the seller is liable in accordance with the statutory provisions. This applies in particular in the event of a breach of confidentiality pursuant to section 12. We do not recognise any limitation of the seller's liability.
- (8) The seller is responsible for all claims asserted by third parties due to personal injury or material damage that are due to a defective product delivered by it and is obliged to indemnify us from the resulting liability. If we are obliged to carry out a recall towards third parties due to a defect of a product delivered by the seller, the seller shall bear all costs associated with the recall.

8. Insurance

- (1) The seller must, at its own expense, conclude a business and product liability insurance policy that covers its liability towards us and third parties to the extent necessary. The insurance policy must be concluded with a renowned and solvent insurance company in an amount that is customary in the sector and reasonable. The seller must submit evidence of the existence and scope of cover of these insurance policies immediately on request at any time.
- (2) The existence of an insurance policy does not lead to any limitation of the obligations of the seller arising from these conditions of purchase.

9. Limitation of liability

Claims against us for damages and for reimbursement of expenses, on whatever legal grounds, are limited in accordance with the following rules: in the event of intent and in the event of injury to life, body or health, we are liable in accordance with the statutory provisions. Otherwise, we are only liable in the event of gross negligence or in the event of breach of a material contractual obligation and the liability is limited to the typical foreseeable damage.

10. Prices and payment terms

- (1) The agreed prices are fixed prices and exclude additional claims of any kind. Costs for packaging, transport and insurance up to the destination and for customs formalities and customs duties are included in these prices.
- (2) All prices are exclusive of statutory value-added tax.
- (3) The agreement on the place of performance and fulfilment (section 15 (2)) is not affected by the type of pricing.
- (4) If no prices are specified in the order, the seller's current list prices with the customary trade discounts or the discounts customary towards us apply.

11. Invoicing, payment and right to refuse performance

- (1) Unless otherwise agreed, the payment is made with a 3% discount within 14 days of receipt of the invoice and delivery, or is made net 30 days after receipt of the invoice and delivery. For the timeliness of the payments we owe, the receipt of our transfer instruction by our bank is sufficient.
- (2) Invoices must specify the order number. If this information is missing and processing by us is delayed as a result in our ordinary course of business, the payment deadlines in accordance with section 10 (1) extend by the period of the delay.
- (3) In the case of defective delivery, we are entitled to refuse the consideration until proper fulfilment has taken place. If the consideration has already been paid, we are entitled to refuse consideration for other goods of the seller in the appropriate amount until the seller has properly fulfilled its obligations.
- (4) In the case of late payment, we owe default interest of five percentage points above the base rate. We do not owe any maturity interest.

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12. Force majeure

- (1) In cases of force majeure (natural disasters, war, terrorism, industrial action involving our business or third-party businesses or similar) or unavoidable events that make it harder or impossible for us to accept the item or services, we are entitled to postpone the acceptance of the item or services by the duration of the disruption plus a reasonable start-up time; if acceptance has become permanently impossible for us as a result of these circumstances, we are entitled to withdraw from the contract with respect to the part as yet unfulfilled. If the disruption lasts for longer than 3 months, after the setting of a suitable grace period, the seller is entitled to withdraw from the contract with respect to the part as yet unfulfilled.
- (2) Delayed delivery by upstream suppliers of the seller does not under any circumstances constitute force majeure and does not extend the delivery deadline for the seller.

13. Supplier's declaration, intellectual property rights

- (1) The information on the origin of the items pursuant to Regulation (EEC) No 1908/73 (Official Journal L 197, 17/07/73, P. 1-6) is to be stated on the seller's business documents.
- (2) The seller guarantees that the products delivered by it do not breach any intellectual property rights of third parties in the European Union. The seller is obliged to indemnify us against all claims that third parties make against us for breach of intellectual property rights and reimburse us all necessary expenses in connection with this claim. Further statutory claims for legal defects remain unaffected.

14. Confidentiality

- (1) The parties must treat the content of the contractual relationship and the fact of conclusion of a contract as confidential. The seller may only refer to business relations with us in advertising material if we have consented in writing for the individual case at hand.
- (2) On all order documents – such as drawings, models, equipment, prototypes and similar – we reserve ownership rights, industrial property rights and copyrights; these must not be reproduced or made accessible to third parties without our prior written consent unless this is necessary for executing the order; the same applies to items manufactured on the basis of these. After processing the order, the order documents and all reproductions of these that have been manufactured, for example, for the execution of the order, are to be returned. If the order documents need to be made accessible to third parties in order to execute the order, the seller will impose the same duties on the third parties that the seller has towards us.
- (3) The seller undertakes to keep all commercial or technical details that become known to it through the business relationship confidential as business secrets during and also after the processing of the order for as long as these are not generally known and do not become generally known without the involvement of the seller. The seller is obliged to impose a corresponding obligation on sub-suppliers.

15. Integrity clause, code of conduct

The Supplier is prohibited from offering employees of the Customer material or non-material advantages and thus causing them to prefer the Supplier with regard to this Agreement and other contracts (exertion of influence). This also applies to the attempts to exert an influence. The Supplier undertakes in particular to take all necessary precautionary measures in its company to avoid its company/group exerting any influence. In the event of infringements, the Customer is entitled to a right of termination without notice or of immediate rescission of all currently running contracts.

We have signed up to the BME Code of Conduct (the code of conduct of the Association for Supply Chain Management, Procurement and Logistics (*Bundesverband Materialwirtschaft, Einkauf und Logistik e.V.*)). The company thereby commits to complying with ethical principles with and towards customers, competitors and business partners. For this reason, by signing the Supplier agrees to comply with this code of conduct with its business partners and shall ensure compliance in its supply chain.

16. Final provisions

- (1) The law of the Federal Republic of Germany exclusively applies to the legal relations between the seller and us, to the exclusion of the United Nations Convention on Contracts for the International Sale of Goods (CISG).
- (2) The place of performance and fulfilment is the destination specified by us in the respective order.
- (3) Munich Regional Court II has exclusive jurisdiction for any disputes arising from and in connection with this contract, unless another legal venue is prescribed by law. The jurisdiction for claims against the seller is at our option additionally the location of the registered office of the seller. This jurisdiction also applies to countercharges, set-off and third-party notices.
- (4) If a provision of these General Conditions of Purchase or a provision in other agreements should be or become ineffective, this will not affect the effectiveness of all the other provisions or agreements. The ineffective provision or agreement is to be replaced by an effective one that realises the intended economic purpose of the provision or agreement as far as possible.