

General Terms and Conditions of Purchase H

1. Scope

- 1.1 The present General Terms and Conditions of Purchase shall apply to all and any deliveries, services and offers of our suppliers, exclusively. They shall be an integral part of all contracts that we conclude with our suppliers regarding the deliveries or services they offer. They shall also apply to all future deliveries, services or offers to us, even if they have not been separately agreed again.
- 1.2 Any terms used by our suppliers or by any third party that are contrary to, deviate from or simply supplement our general terms and conditions shall not apply, even if, in an individual case, we do not expressly object to their validity. Even if we make reference to a letter containing or referring to the terms and conditions of the supplier or of a third party, such shall not constitute agreement with the validity of those terms and conditions.
- 1.3 Our General Terms and Conditions of Purchase shall only apply with respect to entrepreneurs within the meaning of Section 14 of the German Civil Code (BGB).

2. Order Placement

- 2.1 We shall only be bound by an order if it is expressly confirmed by the supplier within a time period of 14 days from the date of the order.
- 2.2 If, at the time of the conclusion of the contract, there are errors on our part through no fault of our own, e.g. due to transmission errors, misunderstandings etc., any claim for damages against us as per Section 122 of the German Civil Code shall be excluded.

3. Blanket Order / Call-off

- 3.1 With blanket or standing orders, we will provide information on the quantities and types to be delivered by separate calls. These calls shall be binding unless the supplier objects to them within one week of the receipt of the call and if no other agreement has been made.
- 3.2 If the supplier is not able to deliver immediately on call, he must inform us thereof without delay and must propose delivery periods that are possible for him.
- 3.3 Depending on the market situation, we reserve the right to change the total quantity. Obligation to take delivery shall apply only to order quantities that are already firmly scheduled.

4. Prices and Payment

- 4.1 The prices agreed are fixed prices and shall apply inclusive of freight, packaging and other incidental expenses, carriage paid to the place of receipt designated by us. Any price increases, even in the event of long-term supply contracts and irrespective of the reasons thereof, will only be accepted by us if express agreement has been made to this effect.
- 4.2 Payment will be effected within the time period specified on the reverse side of the respective order after all goods have been received or the full service has been provided and a proper invoice has been received.
- 4.3 Payments made by us shall not imply acceptance of the delivery or service as being in accordance with the contract.
- 4.4 Any claims the supplier may have against us may only be assigned with our prior consent. Such consent shall be deemed granted if the claims have been assigned within the scope of an extended retention of title [*German "verlängerter Eigentumsvorbehalt"*].

5. Delivery and Passing of Risk

- 5.1 Unless otherwise expressly agreed, delivery shall be effected carriage paid and free of packaging costs and any other costs to our premises in Birkenfeld.
- 5.2 Each shipment must be accompanied by delivery notes. All shipping documents must include the order number, reference and order date. If, by way of exception, packaging costs are assumed by us, these shall also be indicated separately. If, by way of exception, the price has been agreed to be ex works or ex sales warehouse of the supplier, the consignments shall be shipped at the lowest costs in each case, unless a specific mode of transport has been expressly stipulated by us.
- 5.3 The risk shall pass to us upon our acceptance of the goods at the receiving point, or, if the goods delivered are to be assembled, when the assembled goods are received in our factory. Shipping shall always be at the risk of the supplier.

6. Time of Delivery and Delay in Delivery

- 6.1 Any dates and time periods that have been agreed shall be binding and must be strictly adhered to. The receipt of the goods at our site or at the receiving point agreed or specified by us shall be decisive for this.

6.2 As soon as it becomes apparent to the supplier that there may be delays in delivery, the supplier must inform us thereof without delay. This shall have no effect on the binding nature of the agreed delivery date.

6.3 If delivery is made before the specified date, we shall be entitled to reject the consignment. We shall also be entitled to reject partial deliveries.

6.4 If the supplier is in default, we shall be entitled to claim a contractual penalty of 0.5% for each commencing week of the delay, however not exceeding 5% of the order value. We shall be entitled to assert the reservation required as under Section 341 [3] of the German Civil Code until full payment of the delivery or service has been effected. The contractual penalty shall not exclude the assertion of any further damage.

7. Material Defects and Defects of Title

7.1 The supplier shall be responsible for ensuring that the goods delivered and services provided comply with the provisions laid down by law and public authorities as to their sale or use and that they do not infringe any industrial property rights or any other third-party rights. The deliveries and services must comply with the respective state of the art applicable at the delivery date or foreseeable for the future, as well as with other statutory provisions, technical test rules and accident prevention regulations. In particular, DIN standards and VDE [*German Electrical Engineering Association*] regulations must also be complied with.

7.2 Without prejudice to our rights laid down by law the following shall apply:

If the supplier fails to fulfil his obligation to effect supplementary performance – at our option by either remedying the defect (repair) or by delivering a defect-free item (replacement delivery) – within a reasonable time period set by us, we may remedy the defect ourselves and demand compensation from the supplier for the expenses necessary hereof and/or demand a corresponding advance payment. If supplementary performance by the supplier has failed or cannot be expected of us (e.g. due to special urgency, risk to operational safety or the threat of disproportionate damage), the setting of a deadline shall not be required; we will inform the supplier of such circumstances immediately, if possible in advance.

7.3 Unless otherwise agreed, a period of limitation of 36 months from the passing of risk shall apply to all claims for material defects or defects of title. Such period shall be extended by the period of remedy or replacement measures of the supplier from the date of receipt of our notification of defect until the supplier states the completion of the measures or refuses further remedy or replacement delivery.

7.4 If costs are incurred by us as a result of defects pertaining to the item delivered, including but not limited to transport, travelling, labor or material costs or costs of an incoming goods inspection exceeding the ordinary extent or for sorting measures, the supplier shall refund these costs to us.

7.5 If a material defect becomes apparent within six months of the passing of risk, it is presumed that the defect already existed at the time of the passing of risk, unless this presumption is incompatible with the nature of the item or the defect.

8. Recourse against the Supplier

8.1 In addition to claims for defects we shall be entitled to assert in full, without any restrictions, claims in recourse within the supply chain as laid down by law (recourse against the supplier as per Sections 445a, 445b, 478 of the German Civil Code). We shall in particular have the right to require the supplier to provide the exact type of supplementary performance (repair or replacement) owed by us to our customer in each individual case. Our statutory right to select the respective cure (Section 439 [1] German Civil Code) shall not be restricted by this.

8.2 Before we acknowledge or comply with a claim for defects asserted by one of our customers (including reimbursement of expenses as per Sections 445a [1], 439 [2] and [3] of the German Civil Code) we will notify the supplier by providing him with a brief account of the facts and invite him to provide his comments in writing. If the supplier fails to submit a substantiated statement within a reasonable period of time and if an amicable solution is not achieved, the claim for defect in effect granted by us shall be deemed as owed to our customer. In such case, it shall be incumbent upon the supplier to provide evidence to the contrary.

8.3 Our claims for recourse against the supplier shall also apply if the defective product has been processed either by us or by another entrepreneur, e.g. by way of incorporation into another product.

9. Product Liability and Quality Assurance

If we are held liable under the Product Liability Act or other provisions for a product defect or if we otherwise suffer damage in connection with the delivery of a defective product, including but not limited to damage on account of necessary recalls, upgrading, etc., the supplier must indemnify and hold us harmless from and against all and any damage if and to the extent that such damage has been caused by a defect in the contractual product delivered by the supplier. In cases of liability based on fault, this shall only apply if the supplier is at fault. If the cause of the damage is within the area of responsibility of the supplier, he shall bear the burden of proof in this respect. In such cases, the supplier must bear all costs and expenses, including the costs of any legal proceedings, if applicable. The supplier undertakes to take out sufficient product liability insurance.

10. Intellectual Property Rights, Documents, Confidentiality

- 10.1 The supplier warrants that the items delivered by him do not infringe any domestic or foreign industrial property rights and guarantees that we are completely free and authorized under copyright law to use them and trade with them both domestically and abroad. In the event of us being held liable by third parties for an infringement of domestic or foreign property rights relating to the goods delivered the supplier shall indemnify and hold us harmless from and against all and any claims and damage incurred thereby.
- 10.2 We shall retain title to all and any tools, molds, samples, models, profiles, drawings, standard specification sheets, artwork masters, gages and other records provided by us; these shall not be passed on to any third party nor used otherwise for the supplier's own purposes without our express consent. They shall be protected by the supplier against unauthorized access or use and, unless otherwise agreed, must be returned in proper condition together with the delivery at the latest. The supplier shall not be entitled to retain any copies thereof. There shall be no right of retention.
- 10.3 All and any technical data and other commercial or technical information not in the public domain which is disclosed to the supplier on account of the business relationship with us shall be treated as confidential by the supplier. Such information may only be used for the execution of our orders and may only be disclosed to such employees whose involvement is required for the execution of the order.
- 10.4 If tools, drawings or other manufacturing equipment are produced or prepared by the supplier upon our order and at our expense, it shall be agreed that title to such items shall pass to us immediately after their production. If we only pay a share of the costs we shall acquire co-ownership in proportion to our share in the costs. The supplier shall have the revocable right to store these items for us with due care and free of charge. We shall be granted all and any copyrights to these items for our sole usage. The supplier shall not be entitled to use these items beyond the scope of the order without our consent. The supplier shall be entitled and obliged to keep the items in safe custody, which right and obligation shall be revocable. The supplier shall mark the items in such a manner that our title to them shall also be documented vis-a-vis third parties. The supplier shall have no right of retention relating to these items.

11. Limitation of Liability

- 11.1 We shall be liable for intent and gross negligence. We shall only be liable for slight negligence in case of a breach of essential contractual obligations arising from the nature of the contract or the breach of which endangers the fulfilment of the contractual purpose. Also in these cases damages shall be limited to the foreseeable damage. In other respects, in case of slight negligence damage claims asserted by the supplier shall be excluded, irrespective of the legal grounds thereof.
- 11.2 The above limitation of liability shall not apply in the event of injury to life, limb or health.

12. Place of performance, Place of Jurisdiction, Applicable Law

- 12.1 Place of performance for all and any liabilities arising out of the contract, in particular for delivery and payment, shall for both parties be the seat of our company or the place of performance specified by us.
- 12.2 If the parties are merchants, place of jurisdiction for all and any legal disputes arising out of the contractual relationship, its creation and effectiveness shall for both parties be the court having jurisdiction for the seat of our company. At our option, we may also bring an action at the seat of the supplier.
- 12.3 The contractual relationship shall be governed by German law. The UN Convention on the International Sale of Goods (CISG) shall not apply.

Effective as of January 2020