

General Terms of Purchase of Elektronikbau- und Vertriebs-GmbH (EbV)

- Stand November 2016 -

1. Validity

The purchase of goods and services is exclusively subject to the following General Terms of Purchase. They take precedence over any Supplier terms of sale. Our General Terms of Purchase are deemed accepted by Supplier without reservation at the latest upon Supplier's receipt of our order, even in the event of a preceding objection. To be valid, deviations from our General Terms of Purchase require our explicit written consent for each Contract. These General Terms of Purchase only apply to companies under the terms of Art. 14 BGB (German Civil Code), legal persons under public law and special funds under public law.

2. Estimates of cost, close of Contract

Supplier's estimates of cost are binding – and failing any written agreement to the contrary – and are not to be remunerated. If he fails to accept our Contract offer within two weeks of receipt, it expires.

3. Supplier's obligations

Supplier is responsible for ensuring that

- all the data and circumstances necessary for the fulfilment of his contractual duties as well as our intended use of his consignments are known in good time,
- his consignments comprise all the components necessary for safe and efficient use in compliance with regulations,
- they are suited to the intended use and conform to the state of science and technology, and
- he can also supply us with the supplied objects or parts thereof as replacement parts for a period of ten years from the performance of delivery.

In fulfilment of the Contract, he must observe the relevant laws and ordinances, and particularly the environmental, dangerous substances, hazardous goods and accident prevention regulations, the generally accepted rules of safety and industrial medicine, and our plant standards. He undertakes to notify us of any necessary approvals and registration duties demanded by the public authorities for the importation, installation and operation of the supplied objects.

Supplier must treat confidentially the information we provide, such as drawings, documents, findings, samples, production equipment, models, data carriers and the like. He must not make them available to third parties (including upstream suppliers) without our written consent and not use them for other purposes other than those we have designated. This applies accordingly to duplicates and replicas. The confidentiality obligation does not apply to information that Supplier has already obtained legally and without infringement of the confidentiality rules or obtains later. Supplier must not use his business relations with us for advertising purposes without our prior written consent. We reserve the title and all other rights, e.g. copyright, to the information that we make available. Duplicates may be made only with our prior written consent. Duplicates become our property upon their production. Supplier keeps such duplicates on our behalf. He must carefully keep, manage and insure the documents and objects made available to him and the duplicates thereof at his own expense and surrender possession of or destroy them on our demand at any time. He has no right of retention, on whatever grounds. He must furnish proof of their

complete return or destruction and provide written assurance thereof.

Any infringement of this confidentiality obligation shall be punished with a penalty of €25,000 for each act of infringement. Supplier retains the right to have the magnitude of the penalty examined by a court of law. Paid penalties must not be set off against claims for damages.

4. Delivery, dates, periods, force majeure

Deviations from our order are only permissible with our prior written consent. Part deliveries are only permissible by agreement. Agreed dates and periods are binding. Decisive for compliance with the delivery date or delivery period is the time of arrival of the goods at the agreed place of delivery. Foreseeable delays in punctual delivery, particularly as a result of difficulties with the procurement of materials or with production, must be reported by Supplier immediately, stating the probable delivery date. If the delay is unacceptable to us, we are entitled to cancel the Contract and to damages. The unqualified acceptance of the delayed delivery or service does not entail the waiver of our justified claims resulting from the delay. Supplier can only claim non-responsibility for the causes of the delay if he has fulfilled his duty to notify us of the delay. In the event of excessive delay, we are entitled to demand a penalty from him. For each week of the delay or part thereof, this amounts to 0.5 % and overall at most 5 % of the total value of the delayed consignment. Our legal claims due to excessive delay remain unaffected by this. Any paid penalties must not be set off against delay-related claims for damages. The penalty can be claimed until payment of the belatedly delivered goods. Force majeure, operational disturbances for which Supplier is not to blame, unrest, measures taken by the public authorities and other unavertible events relieve us, for the duration of their existence, of the duty to punctually accept the goods. During such events and within two weeks of their ending, we are entitled – irrespective of our other rights – to cancel the Contract in whole or part, as long as these events are not of inconsiderable duration and our needs are considerably reduced by the resultant requirement to procure the goods elsewhere. This also applies in the event of industrial disputes affecting Supplier.

We and the designated recipient are to be notified of each delivery on the day of shipment together with details of the dimensions and weight of the consignment. It must be accompanied by a delivery note in duplicate that must contain our order, article and supplier numbers. When preparing the shipping documents, Supplier must bear in mind that customs clearance is performed at our plant and we are exempted from the obligation to present goods. For deliveries from preferred countries, Supplier must enclose proof of preferentiality with each consignment. The long-term supplier's declaration accg. to Commission Implementing Regulation (EU) 2015/2447 of 24 November 2015 is to be submitted. If export authorisation has to be obtained for the supplied goods, we must be informed immediately.

The supplied objects must be packed appropriately and in the customary fashion. We are entitled to prescribe how Supplier is to pack the objects. If we return reusable packing freight-prepaid to Supplier,

we have a right to reimbursement equal to the value of the packing.

5. Prices and passage of risk

The agreed prices are fixed prices inclusive of all costs and particularly those for toll, transport, packing, shipping and insurance. Supplier bears the risk of accidental frustration of the Contract until we or our authorised agent accept(s) the goods at the agreed place of delivery.

6. Terms of payment

The invoice shall be paid either within 14 days with deduction of a 2 % cash discount or within 60 days without deduction, according to our choice. The period starts upon receipt of the contractual consignment and of a proper, auditable invoice that must contain the account coding, unloading site, supplier, parts and goods numbers, number of items, unit price, quantity, weight per consignment and the country of origin. Our payment is made subject to the auditing of the invoice. We reserve the right to choose the means of payment (money transfer, cheque or bill of exchange). Supplier agrees to participate in a credit note procedure at our request.

7. Assignment, right of retention, set-off

The assignment of Supplier's claims against us is excluded. If these claims are nevertheless assigned, we are entitled according to our choice to pay Supplier or the assignee with discharging effect. Supplier is only entitled to retain consignments owed to us if we are in default with the fulfilment of undisputed or legally enforceable payment claims. We retain the right to set off undisputed or legally enforceable claims against Supplier's claims.

8. Claims relating to defects, cancellation, termination

The consignments are accepted subject to an examination of the goods for freedom from defects and particularly for their correctness and completeness, in so far as and as soon as this is possible and acceptable in the normal course of business. We report defects immediately upon discovery. Supplier shall waive the objection of the delayed reporting of defects. Art. 377 HGB (German Commercial Code) does not apply. In the event of physical defects or defects in title, the provisions of the law apply as long as nothing to the contrary is agreed in the following. If defects of individual parts are discovered, we are entitled to return the entire consignment. We have the right to choose the form of subsequent performance. Supplier can refuse our chosen form of subsequent performance if it is only possible at disproportionate cost. If he fails to start to rectify the defect immediately after our request for subsequent performance, we are entitled to undertake this ourselves or have this undertaken at his expense. In the event of defects in title, Supplier shall indemnify us from any existing third-party claims unless he is not responsible for the defect in title. Claims relating to defects are limited to three years; if the supplied object is used for the erection of a building or an installation essential for this, the limitation period is five years. If the entrepreneur maliciously remains silent about a defect, the limitation period is ten years. The limitation periods start with the passage of risk.

If Supplier meets his subsequent performance obligation with a replacement consignment, the limitation period for the goods supplied in replacement starts anew on their arrival unless

Supplier has explicitly and legally correctly reserved the right in subsequent performance to replace the consignment only as a gesture of good will, to prevent disputes or in the interests of continuing the supply relationship. If, as a result of the defective consignment of the contractual object, we incur expenses and particularly transport, travel, labour, installation, removal or material costs or costs for the inspection of incoming goods exceeding the usual scale, Supplier must reimburse these costs.

Above and beyond the legal rights of cancellation, we are entitled to cancel or terminate the Contract with immediate effect if Supplier ceases to supply his customers, a major deterioration in his financial circumstances occurs or threatens to occur, thus jeopardising the fulfilment of his supply obligations, he is insolvent or in excessive debt, he suspends payments or he or a creditor has opened insolvency proceedings with respect to his assets and this application is not withdrawn or rejected within a week. If we make justified use of the above or a legal right of cancellation or termination, Supplier must compensate us for the resultant loss incurred by us, unless he is not responsible for the arising of the right of cancellation or termination. We reserve our legal rights and claims.

9. Quality assurance

Supplier must constantly monitor the quality of his consignments and services. He is obligated to observe our Quality Assurance Agreement for Suppliers in the currently valid version. To this end, he shall establish and maintain a quality assurance system agreed with us. Any change in the supplied object requires our prior written consent. For all products supplied to us, Supplier must record in writing when, in what way and by whom the defect-free production of the consignment is assured. These records must be kept for at least 12 years and submitted to us on demand. Upstream suppliers are to be obligated accordingly.

10. Product liability

If product liability claims are made against us, Supplier is obligated to indemnify us from them in so far as and as long as the loss has been caused by a defect in the contractual object supplied by him. In cases of liability with fault, this only applies if he is at fault. If the cause of the loss lies within his sphere of responsibility, he must prove that he is not at fault. In these cases, Supplier shall cover all of our expenses and costs, inclusive of those of prosecution.

11. Recall

Before a product recall due in whole or part to a defect in the contractual object supplied by Supplier, we shall notify him immediately, give him the opportunity to participate and communicate with him on an efficient procedure, unless his notification or participation is excluded because of special urgency. If a recall campaign is the consequence of a defect in the contractual object supplied by Supplier, he shall bear the entire costs of the product recall.

12. Work on our site

Persons who perform work on our plant site on Supplier's behalf in fulfilment of the Contract must observe the provisions of our respective work regulations.

13. Provision of materials

The substances, parts, containers, special packing, tools, measuring means or the like (materials provided) that we provide remain our property. They may only be used for their intended purpose. The processing of substances and the assembly of parts are performed on our behalf. According to the ratio of the value of the materials provided to the value of the overall product, we acquire co-ownership of the products made by using our substances and parts, which are therefore kept by Supplier on our behalf. The materials provided may only be duplicated with our prior written consent. We acquire ownership of the duplicates upon their production. Supplier has no right of retention to the materials provided, on whatever grounds. The materials provided and duplicates thereof must not be made accessible to third parties (or upstream suppliers) and not be used for any purposes other than those agreed.

14. Tools

Subject to agreements to the contrary, we acquire full or co-ownership to the extent that we contribute to the verified costs of tools for the production of the supplied object. We acquire (co-)ownership of the tools upon payment. They remain on loan with Supplier. Supplier is authorised only with our prior written consent to dispose of the tools, change their location or to permanently disable them. The tools are to be marked by Supplier as our (co-)property. He bears the cost of their maintenance, repair and replacement. Replacement tools are our property according to our share of the original tool. In the event of co-ownership of a tool, we have a right of first refusal to Supplier's share of ownership. Supplier must exclusively use the tools that we co-own for the production of the supplied objects. At the end of supply, Supplier must immediately surrender possession of the tools to us on demand; in the case of co-owned tools, we must reimburse Supplier for the current market value of his share of ownership upon receipt of the tool. Supplier has no right of retention. Supplier is subject to the obligation to surrender possession even if insolvency proceedings are opened against him or if supplies are suspended for an extended period. Supplier must insure the tool on the agreed scale and, failing such an agreement, on the usual scale.

15. Software

In so far as non-standardised software is included in the scope of supply, Supplier agrees to undertake changes/improvements to the software in accordance with our instructions in return for an appropriate fee for the duration of five years from delivery of the supplied object. If the software is obtained from his upstream supplier, he shall obligate the latter accordingly.

16. General provisions

Should individual provisions of these Terms of Purchase be or become ineffective, unenforceable or incomplete, the remaining arrangements and the Contract existing between the parties remain unaffected. The parties hereto undertake to replace the ineffective, unenforceable or incomplete provisions with such effective provisions that come closest to the meaning, economic purpose and will of the parties hereto.

17. Applicable law, place of jurisdiction

All legal relations between Supplier and ourselves are governed exclusively by the law of the Federal Republic of Germany applicable to domestic parties on exclusion of the United Nations Convention on

Contracts for the International Sale of Goods. For all legal disputes between the parties, Siegen Regional Court is competent irrespective of the sum at issue. However, we can proceed against Supplier at the courts of his general place of jurisdiction as well.

Burbach, November 2016