

§ 1

General – Application

- (1) Our Terms and Conditions of Purchase shall apply exclusively; we do not accept conditions which are contrary to or deviating from our Terms and Conditions of Purchase, unless we agree expressly in writing. Our Terms and Conditions of Purchase shall also apply if we accept deliveries of suppliers without reservation while being aware of contrary or deviating conditions of the supplier.
- (2) All agreements between us and the suppliers for the purpose of executing a contract shall be set out in such contract in writing.
- (3) Our Terms and Conditions of Purchase shall only apply vis-à-vis entrepreneurs according to Sec. 310 para. 4 German Civil Code (*BGB*).

§ 2

Offer – Offer Documents

- (1) The supplier shall accept our order within a period of 2 weeks.
- (2) We shall retain ownership and our copyrights with regard to illustrations, drawings, calculations and other documents; they shall not be disclosed to third persons without our express written approval. They shall be exclusively used for production based on our order; after completion of the order, they shall be returned to us without further request. They shall be kept confidential vis-à-vis third parties, to this regard, the provision of § 9 para. 4 shall apply on a supplementary basis.

§ 3

Prices – Terms of Payment

- (1) The price set out in the order shall be binding. In absence of any written agreement to the contrary, the price for "free to the door" delivery shall include packaging. The return of the packaging materials shall require a separate agreement.
- (2) The price includes statutory VAT.
- (3) We can only process invoices if such – as stipulated in the order – include the order number indicated on the order; the supplier shall be responsible for all consequences arising from his failure to meet this obligation, unless he can show that the failure is not attributable to him.
- (4) We shall pay the purchase price within 14 days of delivery and receipt of the invoice at a 2 % discount or within 30 days of receipt of the invoice without discount, unless agreed otherwise in writing.
- (5) The statutory right to set off and the right of retention shall remain unaffected.

§ 4

Delivery Period

- (1) The delivery period stated in the order shall be binding.
- (2) The supplier shall notify us without undue delay in writing if circumstances arise or become apparent to him that would prevent him from observing the agreed delivery period.
- (3) In case of a delivery default, we shall be entitled to assert statutory claims. In particular, we shall be entitled to withdraw from the contract after the expiry of an appropriate grace period and claim damages or damages in lieu of performance. In case we claim damages, the supplier shall be entitled to show that the breach of contract was not attributable to him.

§ 5

Passing of Risk – Documents

- (1) The delivery shall be made "free to the door", unless otherwise agreed in writing.
- (2) The supplier shall indicate exactly our order number on all shipping documents and delivery notes; in case he fails to do so, any delays in processing shall not be attributable to us.

§ 6

Inspection of Goods – Liability for Defects

- (1) We shall be obligated to inspect the goods randomly within an appropriate period with respect to any deviations in quality and quantity; any notice of defect shall be deemed timely if received by the supplier within 10 working days as of receipt of the goods or, in the event of hidden defects, as of the time of discovery.
- (2) Any statutory claims due to defects shall remain unaffected; in any case, we shall be entitled to request the remedy of defects or delivery of new goods from the supplier at our discretion. We expressly reserve the right to claim damages and to withdraw from the contract, in particular the right to claim damages in lieu of performance shall be expressly reserved.
- (3) In case of imminent danger or particular urgency, we shall be entitled to remedy the defect ourselves at the expense of the supplier.
- (4) The limitation period shall be 36 months as of the passing of risk.

§ 7

Product Liability – Release – Liability Insurance

- (1) To the extent the supplier is responsible for damages caused by a product, he shall be obliged to indemnify us upon first request with regard to any claims for damages of third parties as far as the cause is attributable to his sphere of control and organization and he would be liable in relation to third parties.
- (2) In case the supplier is liable according to para. 1, he shall reimburse any expenses resulting from or in connection with any recall action carried out by us in accordance with Sec. 683, 670 BGB or in accordance with Sec. 830, 840, 426 BGB. We shall notify the supplier of the content and extent of the recall action to be taken as far as possible and reasonable and give the supplier an opportunity to comment. Other statutory rights shall remain unaffected.
- (3) The supplier shall procure product liability insurance with a minimum coverage of € 10 million for each case of personal injury/property damage; any entitlement to claims for damages on our part in excess of such amount shall remain unaffected.

§ 8 Industrial Property Rights

- (1) The supplier warrants that no rights of third parties are infringed in connection with his delivery.
- (2) In case a third party asserts any claims against us due to an infringement of his rights, the supplier shall indemnify and hold us harmless from any claims upon first written request. We shall not be entitled to enter into any agreements with a third party; in particular, we are not entitled to enter into a settlement agreement without the consent of the supplier.
- (3) The supplier's indemnity obligation comprises all expenses incurred by us arising from or in connection with the assertion of claims by a third party.
- (4) The limitation period shall be 10 years as of the time of the conclusion of the agreement.

§ 9 Retention of Title – Provision of Materials – Tools – Secrecy

- (1) If we provide the supplier with parts, we shall retain title with regard to those parts. Any processing or transformation of the parts by the supplier shall be conducted solely in our name and on our behalf. If our goods subject to retention are processed or transformed together with other goods not belonging to us, we shall acquire co-title in the new product in proportion of the value of our goods subject to retention (purchase price plus VAT) to the other goods at the time of processing or transformation.
- (2) If the goods subject to retention are inseparably combined with other goods not belonging to us, we shall acquire co-title in the new goods in proportion of the value of our goods subject to retention (purchase price plus VAT) to the other combined goods at the time of combining. If the combining is conducted in a manner that the supplier's product is considered to be the main thing, it shall be deemed to be agreed that the supplier assigns the co-title to us on a pro-rata basis; the supplier shall preserve the sole-title or co-title for us.
- (3) The supplier shall keep all illustrations, drawings, calculations and other documents and information received strictly confidential. They may only be disclosed to third parties with our express consent. The obligation of secrecy shall also apply after the fulfillment and completion of this contract; the obligation to keep secrecy ends if the know-how contained in the illustrations, drawings, calculations and other documents enters the public domain.
- (4) As far as our security interests according to para. 1 and/or para. 2 exceed the purchase price of all our goods subject to retention, which have not been paid yet, by more than 10 %, we shall release the security interests upon supplier's request at our discretion with regard to the choice of the security interest to be released.

§ 10 Place of Jurisdiction – Place of Performance – Applicable Law

- (1) If the supplier is a merchant, our place of business shall be the exclusive place of jurisdiction; however, we shall also be entitled to file court proceedings against the supplier with the competent courts at his place of business.
- (2) Our place of business shall be the place of performance, unless agreed otherwise in the purchase order.
- (3) All legal relationships between us and the supplier shall be governed by substantive German law as it is applied among German merchants; the provisions of the United Nations Convention on Contracts for the International Sale of Goods (CISG) and the provisions of international private law shall be excluded.

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