

General Conditions of Purchase**1. General**

- 1.1 The legal relationship between the supplier and us is governed solely by the conditions set out below. Conditions laid down by the supplier and other agreements shall only apply if we have recognized them in writing. Our silence shall not be taken as tacit agreement, nor will the acceptance of the work or its payment.
- 1.2 Ordering and acceptance and any changes and additions must be in writing. Oral agreements upon conclusion of the contract are only effective if they have been confirmed to us in writing. This also applies for contract changes after conclusion of the contract.
- 1.3 If the supplier does not accept an order within two weeks of its receipt, we are entitled to cancel it at any time.
- 1.4 The Incoterms in the version currently valid shall be decisive for the wording of trade clauses.
- 1.5 In principle, the contact person for the supplier is the responsible purchaser. This applies especially to matters of quote, order, order confirmation, technical changes, complaints and invoice.

2. Scope of delivery, environmental regulations, delivery delays, contractual penalty

- 2.1 The supplier promises that his deliveries will cover all goods and services that are necessary for a safe, economical use in accordance with regulations, that they are compliant with the underlying specifications and therefore suitable for the intended use and that they are in line with the latest state of science and technology. When providing the goods and services, the supplier will comply with all relevant standards, laws and legal regulations, especially the relevant regulations on environmental protection, dangerous substances, dangerous goods and accident prevention and the generally recognized health and safety at work regulations. The supplier must inform us about the necessary official permits and notification obligations for the import and operation of the items supplied.
- 2.2 The supplier must ensure that the services are provided in an environmentally safe manner in accordance with the law on circulation management / waste material. This includes the choice of environmentally friendly, recyclable materials, low-emission, low-pollution and easy disassembly designs and energy- and resource-saving solutions. The supplier undertakes to take back and dispose of properly and harmlessly the products and packagings he has supplied at any time, at our request. If the supplier undertakes to dispose of products, components and replacement substances for us, the supplier must ensure that these are disposed of properly and harmlessly according to the law on circulation management / waste material including the relevant implementation orders and provide us with proof of this on request.
- 2.3 We may call for changes in the delivered object in terms of design and execution within the sphere of what is reasonable for the supplier. The supplier must make the changes within a reasonable period of time. Appropriate agreements must be reached mutually about the effects hereof, in particular as regards the additional and reduced costs and the delivery dates. If no agreement is reached within a reasonable time, we will decide on the basis of our best judgment.
- 2.4 The dates for the delivery and services given in the order are binding. Preliminary, excess or partial deliveries are only permitted with our approval. We must be informed immediately in writing if there is any likelihood of delays and suitable counter-measures must be taken at the same time to prevent this from having any consequences.

- 2.5 Within 5 calendar days after receiving the order, the supplier sends an order confirmation to the responsible purchaser or directly informs him in writing should he be unable to accept the order.
- 2.6 The deciding factor for compliance with delivery dates or deadlines is the arrival of the goods here, unless otherwise agreed in writing. This also applies to deliveries where a consignment stock procedure is agreed on with the supplier.
- 2.7 If the delivery is late, we are entitled to demand a contractual penalty of 0.5% of the order value per week or part week, not exceeding, however, 5% of the order value. The agreement of the contractual penalty or the application thereof does not affect our statutory rights further to late delivery. Any contractual penalties shall be set off against claims for compensation. The contractual penalty may be applied until the payment of the goods delivered late.

3. Dispatch, transport costs

- 3.1 The delivery items must be expertly packed and dispatched. Packaging and dispatch regulations must be complied with. Dispatch documents, such as delivery certificates and packing slips, must be enclosed with the deliveries. Drawing components must be supplied exclusively with the drawings enclosed with the order (not the master contract) as the bar code of order and order position is only recorded on the order. All written documents must quote our order numbers. Any additional costs caused by the failure to comply with the above rules shall be paid by the supplier.
- 3.2 If the price is listed as "free to building", "free ... destination" and other "free / franco" deliveries, the price includes the freight and packaging costs and the costs of unloading. If the delivery is not "free to...", we will only pay the cheapest freight costs, unless we have specified a particular type of dispatch. The supplier bears the risk of accidental loss and accidental deterioration of the goods sold until they are handed over at the destination.
- 3.3 If we return re-usable packaging freight-free to the supplier, we have a right to a reimbursement in the sum of the value of the packaging.

4. Prices, terms of payment, assignment of claims, retention of ownership

- 4.1 The agreed prices are fixed prices. Unless otherwise agreed, payment will be made, as we choose, at the end of the month following the takeover of the goods and the proper receipt of the invoice with a 3% discount of three months after the end of the month of takeover and invoice receipt without deduction. The period starts with the receipt of the goods/services according to the contract and a proper, verifiable invoice. If early deliveries are accepted, however, the period starts at the earliest with the agreed delivery date. We are free to choose the method of payment.
- 4.2 With regard to deliveries within a consignment stock procedure, the method of payment agreed on between the supplier and us applies.
- 4.3 The supplier is not entitled to assign claims that he has against us or to have them collected by third parties. The provisions of Art. 354a of the Commercial Code remain unaffected.
- 4.4 There shall be no agreement of a retention of ownership of the delivered items in favor of the supplier or third parties, especially through the supplier's general terms and conditions of delivery or business.

5. Confidentiality/information

- 5.1 The supplier will treat the information that we have supplied to him, such as drawings, documents, findings, samples, means of production, models, data media, etc., as confidential, will not make this information available to third parties (including subcontractors) without our written approval and will not use it for purposes other than

those determined by us. This applies accordingly for reproductions. This obligation does not apply for information that was already known to him justifiably on receipt without any confidentiality obligation or which becomes known to him afterwards justifiably without confidentiality obligation, which is or becomes – without contract violation by one of the parties – generally known or for which written permission has been given to him for use elsewhere. The supplier may not, without our prior written permission, use his business relationship with us in his advertising. We retain the ownership and all other rights (e.g. authors' rights) to the information made available by us. Reproductions may only be made if we have given our permission in writing beforehand. The reproductions become our property as soon as they are made. It is herewith agreed between us and the supplier that the supplier is safeguarding the reproductions for us. The supplier shall carefully, and at his own expense, retain, look after and insure the information supplied to him and reproductions thereof and shall, at our request, produce it or destroy it at any time. He has no right of retention for any reason whatsoever. Written assurance must be given of the complete return or destruction of such information.

- 5.2 The supplier ensures that no third parties receive deliveries and services based on our business agreements. Exceptions must be agreed on by us in writing. Should there be third party requests, our head of purchasing must immediately be informed.
- 5.3 In the event of any violation of the obligations under the above 5.1, a contractual penalty in the sum of € 25,000 shall become due immediately for every violation. The supplier has the right to have the appropriateness of the level of the contractual penalty determined under the law. Any paid contractual penalties shall be offset against claims for compensation.

6. Quality management/ goods intake inspection

- 6.1 The supplier must constantly monitor the quality of his goods and services. For this, he will develop and maintain a quality assurance system according to ISO 9001 or another standard agreed with us. Changes in the object of the delivery require our prior written approval. The supplier shall in particular record in writing, for all products supplied to us, when the defect-free production of the object was assured, in which way and by whom. These records must be kept for at least 12 years and shown to us on request. Subcontractors must be placed under a corresponding obligation.
- 6.2 Primarily, we will only carry out a goods intake inspection in the event of externally visible damage and deviations in terms of identity and quantity that are clear from the outside. We will give immediate notice of such defects. We reserve the right to carry out a more far-reaching goods intake inspection. Furthermore, we shall give notice of defects as soon as they are detected during the normal course of business. The supplier thus waives the right to object due to delayed notification of defects. If we find any defects, we are entitled to return the entire delivery.
- 6.3 With respect to our quality management, our quality assurance agreement applies if such an agreement is finalized with the supplier.

7. Liability for defects, reimbursement of expenses, deadlines, insurance

- 7.1 If the object of the delivery is faulty, our claims will be based on the provisions of the law unless otherwise stated in the following provisions. If there is any risk to operating safety, if there is a danger of unusually high damages or if we need to maintain our ability to deliver to our customers, we may, after informing the supplier, carry out the repairs ourselves or have them carried out by third parties. Any costs incurred as a result shall be borne by the supplier. The supplier is liable for all direct or indirect costs and expenses arising from defects. He shall also be obliged to reimburse the expenditure for a goods intake inspection which goes beyond the normal scope if at least parts of the delivery were found to be faulty. This also applies for a partial or complete inspection of

the deliveries received in the further course of business at our premises and those of our customers. If the supplier makes use of third parties in supplying his goods and services, he is responsible for those as for agents.

- 7.2 The supplier will also reimburse expenses arising for our customers or us before or in connection with liability for defects for the early prevention of, protection against or reduction in damage (recalls).
- 7.3 The supplier will repay the expenditure which we are obliged to bear in respect of our customers and which is caused by defects in the delivery obtained from him.
- 7.4 Unless otherwise required on a mandatory basis under the law, the supplier is liable for defects which arise within 24 months from the receipt of the delivery by us or from acceptance (if acceptance has been specified by law or contract). If the event of later repairs, the deadline is extended by the period of time in which the object of the delivery cannot be used according to the contract. The same periods of time apply for the repairs. Claims arising in respect of defects shall lapse at the earliest two months after the claims of the end customer have been fulfilled. This restriction on expiry shall end at the latest 5 years after delivery to us.

8. Tools, devices, programs

To the extent to which we have shared in the costs for tools, devices and programs (called TDP in the following) for the production of the object of the delivery, we shall be given full or shared ownership, irrespective of other agreements. The TDP shall become our (shared) property upon payment. If the TDP are not otherwise, we assume upon payment that we have acquired full ownership of the TDP. The TDP shall remain on loan to the supplier. The supplier is only entitled with our permission to dispose of the TDP in fact or legally, to move their location or to make them inoperable permanently. The TDP shall be marked as our (shared) property by the supplier. The supplier shall bear the costs of the maintenance, repair and replacement of the TDP. Replacement TDP shall be owned by us in accordance with our share of the original TDP. In the case of shared ownership of TDP, we shall have a preemptive right to purchase the part owned by the supplier. The supplier shall only use TDP that are (partly) owned by us for the production of the objects of the delivery. After the completion of the delivery, the supplier shall, at our request, return the TDP immediately to us; in the case of TDP that are shared, we shall, after receiving the TDP, reimburse the supplier for the present value of his share. The supplier does not have a right of retention under any circumstances. The obligation to return the TDP also covers the supplier in the event of an insolvency claim against him or if there is a long break in delivery. The supplier shall insure that TDP to the agreed extent and, if no agreement is reached, to the normal extent.

9. Software

If the scope of delivery includes non-standardized software, the supplier undertakes, for a period of 5 years from delivery of the object in question, to make changes/improvements to the software as we specify, in return for an appropriate reimbursement of costs. If the software is supplied by subcontractors, he shall impose the same obligation on them.

10. Spare parts and willingness to deliver

The supplier shall ensure that he can supply us with the delivered items or parts thereof as spare parts on reasonable terms for a period of 10 years after the end of the delivery relationship.

11. Indemnification

Supplier will at its expense defend us against, and pay all costs and damages made in settlement or awarded as a result of a claim that any products supplied by us under this

Agreement infringes a patent or copyright, trade secret, or other intellectual property rights, tax demands, National Insurance or similar contributions

If a final injunction is obtained in an action based on any such claim against our use of a Product or Service by reason of such infringement, or if in Suppliers' opinion an injunction is likely to be obtained, then Supplier may at its sole option, either:

- a) obtain for us the right to continue using Product or Licensed Software;
- b) replace or modify Product or Licensed Software so that it becomes non-infringing; or
- c) refund the license or purchase price paid for the infringing item

Supplier agrees to indemnify us against all claims, costs and expenses which may incur and which arise, directly or indirectly, from Supplier's breach of any of its obligations under this Agreement.

12. Intellectual property rights

All Intellectual Property Rights produced from or arising as a result of the performance of this Agreement shall, so far as not already vested, become our absolute property, and Supplier shall do all that is reasonably necessary to ensure that such rights vest to us by the execution of appropriate instruments or the making of agreements with third parties.

13. Legal venue and applicable law

The place of fulfillment for deliveries and services is the destination given by us. The place of fulfillment for payments is Rosenheim. The contractual relationship is governed by German law with the exception of private international law and the United Nations Convention on Contracts for the International Sale of Goods (CISG). The legal venue is Rosenheim, unless a different exclusive legal venue is given. However, we are also entitled to take legal action against the supplier before a different competent court. If any provision is or becomes invalid, this shall not affect the validity of the other provisions.