

Terms of delivery and supply

- 1.0 Contract conclusion, cancellation, written form, confidentiality, amendments, origin proof, and official approvals**
- 1.1 We order on the basis of these General Purchase Conditions. Other conditions shall not form part of the contract even if we do not expressly object to them. If we take the delivery/performance without express objection thereto, then it can in no way be deduced that we had agreed to the delivery conditions.
Our General Purchase Conditions shall only be valid for companies in the meaning of § 14 sec. 1 BGB (German Civil Code). They shall also apply to all future transactions with you in an ongoing business relationship.
- 1.2 Offers are binding and may be submitted free of charge. They should correspond to our requests. Alternatives are nevertheless welcome. Departures from our requests are to be marked clearly. No payments shall be made for visits or drawing up offers, projects, and drafts nor for sample deliveries.
- 1.3 If you do not accept our order in writing within 5 calendar days after receipt, then we are authorised to cancel.
If you accept our order with departures then you must make us clearly aware of these departures. A contract shall only come about if we agree to these departures in writing.
Forecast delivery schedules become binding if you do not object in writing within 3 calendar days of receipt.
- 1.4 Orders made verbally or by telephone must be approved by us in writing retroactively in order to be legally binding. The same applies to verbal subsidiary agreements and contract amendments.
Orders, order confirmations, forecast delivery schedules, product receipt documentation and invoices can also be made by electronic means.
- 1.5 You shall treat our requests, the offers which result from them and the signing of the contract confidentially. With regard to all publications, for example, in advertising material and reference lists, you may only refer to your business relationship with us only after first receiving written approval from us.
- 1.6 You are obliged to treat as confidential all non-public business or technical details of which you become aware during the contract's execution or else by means of our business relationship and not make this information available to third parties. Subcontractors are to be placed under corresponding obligations.
Employees assigned by you to execute our order must be subject to the appropriate confidentiality agreement by you. They are to be acquainted with §§ 17 and 18 UWG (German Unfair Competition Act).
If you are made aware that information which was to be treated confidentially is unlawfully obtained by a third party or if a confidential document is lost, then you are to advise us of this immediately.
The confidentiality obligation also applies after execution of this contract. The obligation is waived if, and insofar as the knowledge contained in the document or the obtained know-how becomes general knowledge.
- 1.7 We may demand that amendments be made to the delivered goods even after signing of the contract so long as you deem these changes to be reasonable. For such amendments, the effects on both sides, especially with regard to additional costs and cost reductions as well as the delivery deadlines, shall be taken into reasonable consideration.

You shall enter in the documentary proofs of origin with the necessary details as requested by us and make them available to us immediately with the proper signatures. The same shall apply to proof of sales tax for foreign deliveries and deliveries within the EU. These documents are to be delivered to us no later than 10 calendar days prior to the delivery deadline.
With the acceptance of this order you promise to allow the Customs Authority to examine the documentary proof of origin and supplier declarations and to distribute the necessary information and also to produce the required official confirmations (information sheets). Further, you promise to indemnify us for damages which we incur when the declared origin is not recognised by the responsible authority.
You shall inform us immediately if a delivery is completely or partially subject to export restrictions under German or other law.
- 1.9 You shall provide us with explanations regarding the required official approvals and reporting requirements for the import and operation of delivered goods.
- 2.0 Prices, scope of delivery, transfer of ownership, public price examination, excess deliveries and delivery shortfalls, delivery, transfer of risk, packaging**
- 2.1 The negotiated prices are fixed prices and exclude all types of subsequent demand.
The costs for packaging and transportation to the delivery address or place of use provided by us as well as for customs formalities and customs are included in the pricing. If a price is negotiated "ex works" or "ex warehouse", we shall accept only the most lowest freight costs. If no prices are listed in the order, then the list prices shall apply minus any discount negotiated with us or customary deductions.
- 2.2 All contractually agreed consumables as well as documentation, such as drawings, quality and testing certificates, service manuals, spare part catalogues as well as other manuals form part of the scope of delivery.
A comprehensive system description as well as practical assembly and user manuals are also part of the scope of delivery for all types of devices; for software products, complete system and user documentation is necessary.
For software developed exclusively for us, the delivery obligation is only fulfilled if the source code was transmitted to us as well.
- 2.3 If ownership of the products to be delivered passes to us based on a contractual agreement and does so at a time when the product is stored with you, then you shall properly label our property, store it separately and indemnify us against any and all losses, damages and third party claims.
- 2.4 As long as the orders are based on deliveries to the authorities which are subject to public price examination, you are bound by the unrestricted obligation to submit information about your price setting practices to the qualified authorities and accept the permitted prices as binding.
- 2.5 We shall accept only the quantities or units ordered by us. Delivery surpluses and delivery shortfalls are only permissible if previously agreed to by us.
- 2.6 Delivery directions, especially delivery addresses, are to be precisely observed. Costs which arise due to the non-adherence to delivery directions are to be borne by you.
On delivery notices, delivery certificates, bills of lading, invoices and all correspondence with us, our order number is to be indicated. You are responsible for all consequences of non-observance of this obligation.
- 2.7 Delivery shall be at your own risk.
The liability for every deterioration, including accidental destruction, shall remain with you until the delivery to the agreed delivery address or place of use.
We are not obliged to unload trucks before receipt of the delivery papers.
- 2.8 If we request the delay of a delivery, then you must carefully warehouse and insure the properly packaged and labelled products, for a maximum of ... months.
- 2.9 Your obligation to accept the returned packaging depends on the legal provisions. If the packaging remains in your possession then you shall take it back at your own cost. The products are to be packaged so that they are effectively protected against all types of damage, in particular, transportation damage, corrosion and contamination. Packaging materials are to be used in the necessary scope required for achieving this purpose. Only environmentally friendly packaging materials may be used.
- 2.10 For the interpretation of trade clauses the Incoterms in effect at the time of the contract's conclusion shall have precedence.
- 3.0 Invoices, payment, certifications**
- 3.1 Invoices are to be properly submitted to us along with the accompanying necessary documents and data following successful, complete and defect-free delivery/performance. Invoices must satisfy the requirements of §§ 14, 14a UStG (Value Added Tax Act).
Invoices not properly submitted to us shall only be recognised as received once they are rectified.
- 3.2 Unless otherwise agreed, payments shall be made per standard business practice. Thus, they shall be made either within 30 calendar days with 3% discount or after 45 calendar days strictly net, based on delivery/performance and receipt of invoice.
- 3.3 If certifications of material tests or other documentation have been agreed, these shall form an integral part of the delivery and are to be submitted along with the delivery to us. They must be presented to us no later than 2 calendar days after receipt of invoice. The payment deadline for invoices does not begin prior to receipt of the agreed certifications or documentation.
- 3.4 If you have performed services for us, then a confirmation of services provided or a time sheet issued by our inspection representative must be included with the invoice.

In cases of defective or incomplete delivery we are authorized to withhold portions of the payment until proper fulfillment, namely without loss of discounts, discounts or similar payment advantages. As far as payments for defective deliveries were already made, then we are authorised to withhold other payments due in an amount equal to the payments made.
- 3.6 Our payments shall be made under reserve of a correction if complaints should arise retroactively.
- 3.7 The acceptance of a delivery does not constitute recognition that there are no defects. The same applies to payments.
- 4.0 Delivery deadlines, delivery delay, acts of god, premature delivery, partial deliveries, publication of the documentation in cases of exception**
- 4.1 The agreed delivery deadlines are binding and must be kept precisely. The proper receipt of product or the flawless delivery of performance as well as delivery of the documentation to the reception or utilisation area named by us or the timeliness of the successful acceptance are decisive for the compliance of the delivery deadline or the delivery time period.
If the delivery time period is designated or confirmed by you as "presumably", "approximately", "under usual reservation" or other similar terms, then no more than 8 calendar days may lie between the named deadline and the actually completed delivery.
The unconditional acceptance of the delayed delivery does not constitute a waiver of claims for replacement.
- 4.2 If you should discover that an agreed deadline cannot be adhered to for some reason, then you shall advise of this immediately in writing noting the reasons and the presumed duration of the delay.
In such cases you will nevertheless undertake all measures necessary in order that the agreed delivery deadline can be adhered to or ensure that only a small temporary delay results and notify us in writing what you have undertaken in each case and what you still will undertake.
Through the communication of a presumed delivery delay, the arranged delivery deadline shall in no way be amended. You shall grant us the right to involve your suppliers if necessary.
All costs which may arise as a result of a culpable, undone or belated instruction shall be borne by you. Additional costs which were incurred in order to adhere to an accelerated transportation deadline shall be borne by you.
- 4.3 Should delivery be delayed, then we shall have the right to legal claims.
- 4.4 In the absence of necessary documents to be delivered by us you can only invoke a claim if you have requested the documents in writing and have not received them within an appropriate time period.

Acts of God and labour unrest shall release the contract parties from their performance obligations for the duration of the disruption and to the extent of their effect. The contract partners are obligated to provide the necessary information within reason and to adapt their obligations in good faith according to the changed circumstances.
- We shall be released in whole or in part from the obligation of accepting the ordered delivery/performance and as such are entitled to withdraw from the contract if the delay in delivery/performance caused by the act of God or labour unrest – under consideration of commercial aspects – can no longer be used by us.
If these hindrances last more than three months, then each party to the contract shall be readily entitled to withdraw from the contract.
- 4.6 In case of an earlier delivery as agreed, we retain the right to return the goods at your cost. In the case of an earlier delivery which does not result in the goods being returned, then they shall be stored with us until the agreed delivery date at your cost and at your risk.
In the case of early delivery we shall retain the right not to make payment until the agreed due date.
- 4.7 We only accept partial deliveries if specifically agreed. They are to be marked as such in the delivery documents or invoices. These shall also include a list of the remaining quantity. Even if we should agree to a partial delivery, the agreed deadlines should remain in place for the entire delivery/total performance so that the delivery/performance is deemed made on complete fulfillment of the contract.
- 5.0 Guarantee, security data sheets, notice periods, amendments, redelivery, withdrawal, reduction, compensation, production mistakes, right to make repairs at supplier's expense**
- 5.1 All deliveries/achievements are to be made to us free of material and legal defects. You must adhere to the agreed quality and to the latest state of technology, the pertinent European and German legal provisions and the directives and guidelines of the authorities and of employers' liability insurance associations and professional associations. The deliveries/performance must also be fit for the purpose provided in the contract or, should such purpose not exist, be suitable for typical purposes.
All goods must comply with the latest safety standards and at the time of handover must have been accepted by the responsible test institutes and authorised for the intended use. The deliveries/performance must comply particularly to the legal occupational safety provisions, the requirements of device and product safety law, accident and fire prevention provisions as well as legal environmental provisions.
Should departures from these regulations be necessary in individual cases, you must obtain our written approval. Your liability for defects is not limited by this approval.
If you should have any objection to the manner of performance desired by us, then you shall advise us of this immediately in writing.
- 5.2 If you culpably provide us with a delivery/performance which is not free of third party claims in Germany or, so far as you are aware, in the country of destination, then you shall indemnify us for any financial disadvantages arising therefrom.
- 5.3 You promise to use environmentally friendly or environmentally sustainable products and procedures in your deliveries/performance and even in supply or ancillary third party services within the context of economic and technical possibilities.
- 5.4 Deficiencies in the delivery/performance during the guarantee period which include the nonattainment of guaranteed specifications and the lack of guaranteed characteristics shall be remedied by you immediately on demand and without payment, including all extra expenses as decided by us with regard to repair thereof or the exchange of the defective parts or redelivery/reproduction.
If it is not possible to provide immediate supplementary performance then you shall take remedial action as quickly as possible in consultation with us. You shall be responsible for all expenses incurred in connection with the determination of the defects and their rectification, also those expenses incurred by us, in particular, examination costs, installation costs, dismantling and reinstallation costs for defective parts, labour and material costs as well as transportation and other costs in the exchange of defective parts. This also applies as far as the expenses increase because the goods were delivered to a location other than the place of delivery, but not if disproportionate costs are incurred hereby.
You shall undertake rectifications or redeliveries/reproduction of goods if necessary, using multiple shift-work or with overtime or vacation time if this is deemed by us to be necessary and reasonable for urgent commercial reasons. An attempted rectification shall be deemed to have failed after the second unsuccessful attempt. We are then entitled to withdraw from the contract and a reduction. The same shall apply if a deadline for supplementary performance set by us has lapsed without success. An agreed period for supplementary performance shall have the same legal implications as a deadline set by us.
If we are entitled to withdraw, then this withdrawal can, so long as it is limited to the non-fulfilment or inadequate fulfillment of a limited portion of the contract, be limited to this portion while upholding the remaining portions of the contract.
We reserve the right to claim compensation in all cases.
- 5.5 If you should culpably fail to fulfil your obligations in connection with the defect liability within a period set by us then we may undertake the necessary measures at your expense and at your risk, or have such measures carried out by a third party. We calculate our own contributions using market prices for third parties.
In urgent cases, we can perform the rectification ourselves after agreement with you or have the amendments carried out by a third party. Small defects may be eliminated by us - in fulfillment of our damage minimisation obligation or if within the context of agreements we have entered - without prior approval by you, without limiting your liability for the defect. We may charge you for the expenses incurred.
The same shall apply if extraordinarily high damages are pending or if otherwise special circumstances are present which, while considering our mutual interests, would justify an immediate rectification by us.
For the rest, the provisions of § 637 BGB shall apply to the contract for work and labour.
- 6.0 Warranty period, constraint, suspension**
- 6.1 The warranty period for material defects and defects of title shall be 36 months unless otherwise expressly agreed. This shall also apply for multi-shift working. It shall commence with the handover of the delivered goods to us or a third party named by us to a place of receipt or use named by us. For devices, machines, plant and performances, the



warranty period shall begin with the acceptance deadline which is specified in our written acceptance declaration. If the acceptance is delayed without your fault then the warranty period shall be three years after the delivered product was available for acceptance. The warranty period for structures and building materials shall comply with the legal provisions unless otherwise expressly agreed. For spare parts, it shall be three years after installation/start-up and end no later than five years after delivery.

- 6.2 As long as negotiations regarding the authorisation of our claim are in progress, the guarantee period of the plant/plant's parts in question will be constrained beginning from the point that the operational disruption is announced up to the conclusion of negotiations or to the end of the repairs and a possible removal.

If you should supply a replacement as a supplementary performance then the statute of limitations shall begin for the delivered replacement part on its installation/acceptance. In the case of a repaired part, the statute of limitations shall begin with the conclusion/acceptance of the repair or reinstallation/ reproduction of the repaired part. This provision does not apply if a minor defect to a delivered part can be eliminated by the substitution of another delivery or amendment without considerable time and effort. It also does not apply if the substitution delivery or rectification was performed uncontested out of good will or for the amicable settlement of a dispute or in the interest of maintaining the supply relationship. Acceptance shall be applied for with us in writing if necessary. The time period shall in no way end prior to the lapsing of the statute of limitations for defect claims for the original delivery or performance.

7.0 Quality assurance, product liability

- 7.1 You shall perform the appropriate quality assurance which, in its type and scope, is in accordance with the latest standards of technology and provide us with proof thereof on request. You shall enter into an appropriate quality assurance agreement with us if we consider this necessary.
- 7.2 It shall be assured through your plant-based controls that deliveries adhere to our technical delivery conditions. You shall undertake to provide records of the tests performed and archive all test, measurement and control results for 10 years. We reserve the right at all times, to view these documents and to make copies thereof.
- 7.3 Unless otherwise agreed you shall label the objects for delivery so that they are permanently recognisable as your product.
- 7.4 If, due to transgression of official safety provisions or based on any domestic or foreign product liability provisions or laws regarding a defect in our product, a claim should be made which can be traced back to your goods, then we are authorised to demand compensation from you for these damages so long as it is caused by the product delivered by you. These damages also apply to the costs in connection with a precautionary recall. We shall provide you with information, as much as possible and within reason, with regard to the content and scope of the recall measures and provide you with the opportunity to comment.
- 7.5 Moreover, you shall insure yourselves against all risks from product liability, including recall risk to an appropriate extent and provide us with a copy of the insurance policy for inspection upon our request.

8.0 Software developed for us

- 8.1 If you should develop software exclusively for us per contractual agreement, then you shall grant us the required rights of use according to the purpose of the contract. You shall transfer to us in particular, an indefinite and geographically unlimited, transferable, exclusive and sole right of use and exploitation right to the software. We are entitled to edit, amend, expand and copy the computer program, the program description and the accompanying material to other computers and to disseminate it physically and non-physically, including via the internet, to publish, to copy in picture and sound and to store or otherwise amend, use and commercially exploit it. The right of use shall also include future, new forms of use.
- 8.2 The transfer of the right of use is included in the agreed payment and is settled with its payment.
- 8.3 You waive the right to be named as designers in the software or in the accompanying documentation.
- 8.4 Your delivery obligation shall not be fulfilled until you have communicated the source code to us.

9.0 Environmental protection, dangerous materials, REACH Ordinance

- 9.1 You shall strictly adhere to the legal and official provisions for environmental protection when providing your contractual performance.
- 9.2 No substances which break down the ozone may be used in the manufacture of products and packaging delivered to us such as chlorofluorocarbons/CFCs, carbon tetrachloride and trichloroethane.
- 9.3 For materials (materials, preparations) and objects (for example, goods, parts, technical devices, unclean warehouse goods) which, based on their nature, their characteristics or their condition could pose a danger to the life and health of persons, the environment or other things and which based on provisions must be specially treated with regard to packaging, transportation, warehousing, contact and refuse disposal, you shall provide to us along with the offer a completely filled out safety data form in accordance with § 14 of the Hazardous Materials Ordinance as well as an applicable accident data sheet (transportation). In the case of changes to the materials or the legal status, you shall deliver immediately updated specifications and data sheets to us.
- 9.4 You shall comply with the requirements of the REACH (Registration, Evaluation and Authorisation of Chemical Substances) Ordinance in its currently valid versions, in order to ensure a proper and constant quality of the contract products.

10.0 Industrial property rights, rights of use

- 10.1 You are not authorised to apply our trade name, logos, trademarks or commercial property rights for your own use or that of third parties. Without our prior written approval, you may not use these individually nor together with your own trade names, trademark or logos. If we grant such approval then you must adhere strictly to the guidelines with regard to size, positioning and layout of the trade names, trademark or logos.
- 10.2 Products which are not part of your standard product range, and which you have manufactured based on our directives or our drawings or technical specifications, may not be offered, sold or delivered to third parties without our prior written approval.
- 10.3 Products which are part of your standard product range may not be offered, sold, delivered or otherwise placed on the market by you to third parties if our trade name, trademark or logo are still recognizable on the product. The same shall apply if third parties could assume that the relevant product was placed on the market by us.
- 10.4 You vouch for the fact that all deliveries are free of third party patent rights and in particular, that patents, licenses or other such third party patent rights are not infringed upon by the delivery and use of the delivered objects.
- 10.5 We shall immediately contact each other in writing if claims are made against one of us due to infringement of contractually relevant patent rights.
- 10.6 In the case of a culpable violation of these obligations you shall release us and our clients from any third party claims arising from potential patent infringements and you shall bear all costs which we may incur in this regard; these include costs for potential prosecution and recalls. Your indemnity obligation shall apply to all expenses, which we may possibly incur in connection with a claim by a third party.
- 10.7 Along with the delivery of a copyright protected work from you, we shall receive a simple, unlimited right of use in applications of all kinds.

11.0 Assignment of contract, change in the company, changes to production, delivery capacity, data protection, partial invalidity

- 11.1 You shall advise us immediately of any assignment of contract arising by act of law and every change in the company.
- 11.2 If you plan to change or discontinue production, then you shall advise us of this immediately in writing. If production is discontinued then you must ensure that materials previously delivered to us will still be deliverable 12 months after your announcement.
- 11.3 With the delivery of purchased parts and standard parts as well as products manufactured by you, you shall assure us that these products will still be deliverable after 2 years.
- 11.4 We are entitled to bring an action, process and use the applicable data in connection with the contract's execution in the sense of the data protection law.
- 11.5 If individual parts of these General Purchase Conditions become invalid, then the validity of the remaining provisions shall be thereby unaffected by this.

12.0 Subcontracting, ban on assignment, offsetting, right of retention

- 12.1 You are not entitled to subcontract the order or key components thereof to third parties without our prior written approval. If this approval is given, you shall remain responsible to us as joint and several debtor.
- 12.2 You shall not have the right to assign –in whole or in part- your claims against us nor have them collected by a third party. Should you assign a claim against us to a third party without our approval, then the assignment is nevertheless effective. We can then take action as we decide, with you or the third party.
- 12.3 You may only offset with uncontested or legally assessed claims.
- 12.4 You may only be entitled to retention rights so far as they relate to the same contractual relationship.

13.0 Contract language, correspondence

The contract language is German. All correspondence and all other papers and documents are to be drafted in German. This shall also apply to total remaining documentation, for example for deposit and performance guarantees. As an exception hereto, we are authorized to request all documentation and the accompanying communication to be provided in English. As far as the contractual partners shall communicate in another language, then the wording of the German documents shall be definitive.

14.0 Payment stoppage, insolvency

If you stop payments, then a temporary insolvency administrator shall be appointed, a bankruptcy proceeding regarding your assets shall commence or, if there are bills of exchange or check protests against you, then we are entitled to withdraw from the contract and to cancel the contract in whole or in part effective immediately without notice; no claims may be made against us arising from it. If we cancel the contract then the executed performance to date shall only be invoiced in accordance with contract prices insofar as they can be used by us per the provisions. We shall account for damages incurred by us in the invoice.

15.0 Place of fulfillment

Unless otherwise expressly agreed the place of fulfillment for delivery/performance obligations shall be the mailing address or utilisation area; for all other obligations on both sides the place of fulfillment shall be Heidenheim.

16.0 Jurisdiction, supplementary law

- 16.1 For all present and future claims from the business relationship with sales people including bills of exchange and check claims, the exclusive jurisdiction shall be Heidenheim. The same jurisdiction shall apply if you do not have a domestic general jurisdiction, you move your place of residence out of the country after the contract's conclusion or your place of residence or usual whereabouts at the time the action's filing is not known. We reserve the right however, to assert our claims in any other permissible jurisdiction.

