

GENERAL CONDITIONS OF PURCHASE

Schäfer Elektronik GmbH

§ 1 General – Scope of application

- (1) Our conditions of purchase apply exclusively; We do not recognize conflicting or deviating terms and conditions of the supplier, unless we have expressly agreed to their validity in writing. Our Terms of Purchase shall also apply if we accept or pay for deliveries and services of the supplier without reservation in the knowledge of terms and conditions of the supplier that conflict with or deviate from our conditions of purchase.
- (2) All agreements made between us and the supplier for the purpose of executing this contract shall be set out in writing in this contract. Verbal agreements before or upon conclusion of the contract require our written confirmation in order to be valid.
- (3) Our terms and conditions of purchase apply only to entrepreneurs, legal entities under public law and public law special funds.
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§ 2 Proposal – Bidding documents

- (1) Orders, statements and delivery schedules as well as their changes and additions must be made in writing. However, they can also be sent by fax, e-mail or by remote data transmission.
- (2) If the supplier does not accept our order within two weeks of receipt of the order, we are entitled to revoke it. Our delivery schedules become binding if the supplier does not object within four working days of receipt.
- (3) Cost estimates by the supplier are binding in the absence of an expressly deviating agreement and not to be remunerated by us.

§ 3 Price- and conditions of payment

- (1) The price stated in the order is binding. The price includes delivery "free domicile" including freight, packaging and customs clearance (DDP according to Incoterms 2010), unless otherwise agreed in writing. The return of the packaging requires a special agreement.
- (2) The legal sales tax is not included in the price.
- (3) Invoices are to be sent to us separately from the delivery stating our order number and our business sign. We can only process invoices if they are in accordance with the specifications in our orders and delivery schedules and state the order number given there. The Supplier is responsible for all consequences of non-compliance with this obligation, unless he can prove that he is not responsible for them.
- (4) Unless otherwise agreed, we shall pay invoices within 10 days with a deduction of 3% discount or within 30 days without deduction, calculated from the due date of the claim for payment and receipt of both the invoice and the goods or service provision.
- (5) We are entitled to set-off and retention rights to the extent permitted by law.

§ 4 Delivery - Delivery time - Scope of delivery - Contractual penalty

- (1) The delivery dates stated in our orders are binding and means that the goods must be available to us on this date.
- (2) The supplier is obligated to notify us immediately in writing if circumstances occur or become apparent to him, from which it emerges that the conditional delivery time cannot be met. If the supplier does not comply with this, then in each individual case a contractual penalty of 0.5% of the order value shall apply for each commenced week of the delivery period, with a minimum fee of EUR 100.00 but not more than 5% of the order value.

- (3) In case of default of delivery we are entitled to the legal claims. In particular, we are entitled, after fruitless expiry, to demand compensation for damages within a reasonable period of time or to withdraw from the contract. If we demand damages, the supplier has the right to prove to us that he is not responsible for the breach of duty. Instead of the claim for damages, we are entitled at any time to claim the contractual penalty stipulated in § 4 (2) sentence 2.
- (4) If, as a result of force majeure, official measures, labor disputes, breakdowns or other unavoidable events, the fulfillment of our contractual obligations is made impossible or considerably more difficult, we may without prejudice to our other rights, withdraw from the contract in whole or in part or demand delivery at a later date, without that the Supplier incurs claims therefrom, insofar as these events are not insignificant in duration and result in a significant reduction in our requirements.
- (5) Our delivery lots are binding. Over or under deliveries may only be made after express written consent by us. Partial deliveries are inadmissible, unless we have agreed to them or they are reasonable for us. Insofar as we name annual, semi-annual, quarterly or other collection amounts to the supplier, these are always estimates based on the target figures, but not legally binding offers. The corresponding information does not result in any acceptance obligations on our part. Only agreed security stocks (security stock) are subject to an acceptance obligation, unless otherwise agreed in individual cases.
- (6) The packaging of the delivery item by the supplier must be in accordance with our specification. If this is not the case then the packaging must be carried out properly. This includes, in particular, adequate protection of the delivery item against transport damage and soiling.

§ 5 Transfer of risk - Documents

- (1) Unless otherwise agreed in writing, delivery shall be free domicile (DDP according to Incoterms 2010).
- (2) The supplier shall bear the material risk until acceptance of the goods by us or our agent at the place to which the delivery item is to be delivered in accordance with the order.
- (3) The supplier is obliged to enclose a delivery note with each consignment and to indicate our complete order number on all shipping documents and delivery notes. If this is not done adequately, the delays in processing are not our responsibility.

§ 6 Defect investigation - liability for defects

- (1) Acceptance is subject to the examination for freedom from defects. We are entitled and obliged to examine the goods within a reasonable period for any quality and quantity deviations.
- (2) We are fully entitled to the statutory claims for defects in full; In any case, we are entitled to demand from the supplier, at our discretion, rectification or delivery of a new item. The right to compensation, in particular the right to claim damages instead of performance, is expressly reserved.
- (3) Without prejudice to material defect liability, we shall be entitled to remedy the defect ourselves or have it carried out by third parties at the expense of the supplier, if there is a risk of default or special urgency and the supplier does not commence remedying the defect immediately after our request for remedying the defect.
- (4) If a defect occurs within six months after the transfer of risk, it is assumed that the goods were already defective at the time of the transfer of risk, unless this assumption is incompatible with the nature of the goods or the defect.
- (5) Claims for defects become time-barred after 36 months, calculated from the delivery of the delivery item. Incidentally, the statutory provisions apply to our claims of any kind, in particular claims for damages and their statute of limitations against the supplier.
- (6) For parts of the delivery that have been repaired, post-treated or repaired within the period of limitation of our claims for defects, the limitation period begins again at the time at which the supplier has completely fulfilled our claims for subsequent performance.
- (7) If we are subject to a claim by our customer, our recourse to our supplier shall be subject to §§ 478, 479 BGB accordingly. Irrespective of the provisions in § 6 (5) and (6) as well as § 8 (4), the period of limitation shall not commence earlier than 2 months after the date when we have fulfilled the claims against us by our customer, but no later than 5 years after delivery of the delivery item by the supplier to us.

- (8) The Supplier shall bear all costs incurred as a result of the defective delivery or service, in particular material, transport, travel and labor costs
- (9) The supplier declares that- he only manufactures the delivery items according to our drawings and specifications,
- he carries out the tests and controls mentioned in the specification,
- all materials used fully comply with our specifications,
- any change is made only after consultation with us and in written agreement by us,
- our quality requirements are met in every respect,
- the statements do not violate accident prevention regulations and any necessary safety devices are supplied,
- all deliveries / services comply with state-of-the-art technology, the relevant international and national legal provisions and the regulations and guidelines of authorities, professional associations and trade associations.
If it is necessary to deviate from these regulations in individual cases, the supplier must obtain our written approval for this. The material defect liability is not limited by such consent.
- (10) Returned defective goods will be charged to the contractor. The return is at his risk and expense. Defects, which are only recognizable during the processing of the goods or during their use, entitle us to demand the useless expenses.
- (11) Costs resulting from the inspection or sorting of defective goods shall be borne by the contractor. Sorting costs are owed if the defectiveness of individual products has already been determined and, on the basis of sufficient sample evidence or other verifiable facts, the same defects are to be feared for similar products. The inspection and sorting must serve to determine which of the products are suspected to be defective and which measures are required to remedy the defect.
- (12) If it is to be expected that the costs of checking and / or sorting products with suspected defects are higher than the price of all products, we are entitled to return the delivered products completely.

§ 7 Product Liability - Exemption - Liability Insurance

- (1) As far as the supplier is responsible for a product damage, he is obligated to indemnify us in this respect of claims for damages of third parties on first request, as the cause is set in his domination and organization and he is liable in the external relationship itself.
- (2) Within the scope of his liability for claims in the sense of para. (1), the supplier is also obliged to reimburse us for any expenses arising out of or in connection with a recall carried out by us or our customer. We will inform the supplier as far as possible and reasonable about the content and extent of the recall measures to be carried out and give him the opportunity to comment. This does not affect any other statutory claims.
- (3) The supplier undertakes to maintain a product liability insurance with adequate cover and to provide us with proof of this immediately upon request. If we are entitled to further claims for damages, these remain unaffected.

§ 8 Property rights

- (1) The supplier warrants that in connection with his delivery no rights of third parties will be violated.
- (2) If we are subject to a claim by a third party for an infringement of property rights, the supplier is obligated to exempt us from these claims upon first written request. We are not entitled to make any agreements with the third party without the consent of the supplier, in particular to conclude a settlement.
- (3) The Supplier's obligation to indemnify relates to all expenses that necessarily arise for us from or in connection with the claim by a third party.
- (4) The limitation period for these claims is ten years, calculated from the delivery of the delivery item.

§ 9 Retention of title - provision - tools

- (1) If we provide parts to the supplier, we reserve the right of ownership. Processing or transformation by the supplier are made for us. If our reserved goods are processed with other objects not belonging to us, we acquire co-ownership of the new object in proportion to the value of our goods (purchase price plus VAT) to the other processed objects at the time of processing.
- (2) If the goods provided by us are inseparably mixed with other objects not belonging to us, we shall acquire co-ownership of the new object in proportion of the value of the reserved object (purchase price plus VAT) to the other mixed objects at the time of mixing. If the mixing takes place in such a way that the supplier's item is to be regarded as the main item, it shall be deemed to have been agreed that the supplier assigns co-ownership pro rata to us; the supplier keeps the sole property or co-ownership for us.
- (3) If we provide tools, test equipment or systems (hereinafter referred to as "tools") to the supplier, they remain our property. The supplier is obliged to use the tools exclusively for the production of the goods ordered by us. He is further obliged to insure the tools belonging to us as replacement at his own expense against damage caused by fire, water or theft. At the same time, the supplier hereby assigns to us all compensation claims from this insurance; We accept the assignment. The supplier is obliged to carry out any required maintenance and inspection work on our tools as well as all maintenance and repair work at his own expense in good time. He must inform us immediately of any incidents. If he fails to do so culpably, our claims for damages remain unaffected.
- (4) Tools become our property if the supplier has them specially made for the execution of our order or has them made, and the cost of production is borne by us or amortized by the prices paid by us. In the case of a partial assumption of the production costs by us or a partial amortization we acquire the co-ownership of the tools in relation of the value of the tools to the acquired or amortized production costs.
- (5) After the order has been processed, the supplier must return our tools and other documents to us unsolicited.(6) We undertake to release the securities to which we are entitled at the Supplier's request to the extent that the realizable value of our securities exceeds the claims to be secured by more than 10% in total. The selection of the securities to be released is our responsibility.

§ 10 Confidentiality

- (1) The supplier is obliged to keep strictly confidential all business or technical information and documents of a physical or non-physical nature made available to us, including illustrations, drawings, plans, samples or calculations. They may not be disclosed to third parties without our written consent; they remain our exclusive property and may only be used for production based on our order. Your reproduction or commercial use is permitted only with our prior written consent. This secrecy obligation also applies after the execution of this contract. It expires as long as and to the extent that the knowledge contained in these documents and information has demonstrably become generally known to the public.
- (2) At our request or unsolicited after completion of the order, all business or technical documents and information originating from us, including any duplications, must be returned to us unsolicited and in full. If the supplier has stored our documents and information in electronic form, this data must be deleted.
- (3) We reserve all rights to all business or technical information and documents made available to us - especially property rights and copyrights.
- (4) All products, tools, technical documentation and information relating to our business may not be used, offered or supplied to third parties by the supplier.

§ 11 Jurisdiction - Place of performance

- (1) For all disputes arising from the contractual relationship, the place of jurisdiction is our registered office, provided that the supplier is a merchant, a legal entity under public law or a public-law special fund. However, we are also entitled to sue the supplier at its head office, the place of its establishment as well as any statutory jurisdiction of the place of performance or an unauthorized act.
- (2) Place of fulfillment is our registered office, unless otherwise stated in the order.

§ 12 Performing work

- (1) Persons who carry out work on the factory premises in fulfillment of the contract must observe the provisions of the respective company regulations; the regulations for entering and leaving the factory are to be observed. Liability for accidents that occur to these persons on the factory premises is excluded unless they were caused by us intentionally or through gross negligence.

§ 13 Miscellaneous

- (1) Should a provision of these conditions or the further agreements made be or become ineffective, this will not affect the validity of the remaining conditions.
- (2) We point out that all customer and supplier-related data are stored and processed by us using electronic data processing.
- (3) All legal relations between us and the supplier are governed exclusively by the law of the Federal Republic of Germany.

Schäfer Electronics GmbH
Achern as at August 2019