

CONDITIONS OF PURCHASE

STATUS JULY 2016

I. GENERAL, SCOPE OF APPLICATION

We place orders exclusively on the basis of our General Terms and Conditions of Purchase; we do not recognise any terms and conditions of the contractual partner which conflict with or deviate from our Terms and Conditions of Purchase unless we have expressly agreed to their validity in writing. If we accept the delivery or service without express objection, it can under no circumstances be inferred from this that we have accepted the delivery conditions of the contractual partner. Our terms and conditions of purchase shall also apply to all future transactions with the contractual partner.

II. OFFER, CONCLUSION OF CONTRACT

If the supplier prepares an offer on the basis of an enquiry from our side, he must adhere exactly to our enquiry and, in the event of deviations, expressly point this out.

If a supplier does not accept an order from our side within 2 weeks of receipt, we shall no longer be bound by the offer.

Orders, delivery call-offs as well as their amendments and supplements shall only be effective if they are made in writing or by remote data transmission or by machine-readable data carriers. Contracts of all kinds as well as their amendments and supplements must be in writing. This shall only not apply if the contract is concluded by remote data transmission or by machine-readable data carriers. Verbal agreements shall only be binding on us if they are confirmed by us in writing.

If we can prove by submitting a transmission report that we have sent a declaration by fax or remote data transmission, it shall be assumed that the supplier has received the declaration.

III. PRICES

The agreed prices are fixed prices. Prices shall be understood free buyer's works including delivery and packaging costs as well as transport insurance plus the statutory value added tax applicable at the time.

Unless a deviating INCOTERM clause has been agreed, all prices of the Supplier shall be DDP INCOTERMS 2010® plus the statutory value added tax applicable at the time of invoicing. All ancillary costs, such as costs for freight, insurance, export, transit, import and other permits as well as notarizations are included in the price. Likewise, the supplier shall bear all types of taxes, levies, fees and customs duties.

At our request, the supplier shall prepare value and cost analyses of the goods using qualified personnel. For this purpose, he shall disclose all costs to us in a detailed cost break-down.

Price increases shall only become effective with our written consent as of the date of the agreement.

IV. INVOICING, PAYMENT, DEFAULT OF PAYMENT, ASSIGNMENT OF CLAIMS

Invoices are to be sent separately from the goods, order number and order date are to be stated in each invoice. We shall have the right to refuse performance until a proper invoice has been submitted.

Payment shall be made either within 14 days after delivery/service and receipt of a proper invoice and approval of the goods with a 3% discount, within 30 days with a 2% discount or after 60 days strictly net, with means of payment of our choice. Insofar as certificates of material tests have been agreed, they shall form an integral part of the delivery and shall be sent to us together with the delivery. The payment period for invoices shall not commence before receipt of this certificate.

The date of receipt of payment for all means of payment shall be the date on which we can no longer dispose of the amount.

Default in payment shall only occur after a reminder has been sent. The supplier must notify us immediately if he assigns his claims against us to third parties.

If the supplier does not fulfil one of his obligations according to this contract or the law, we may withhold all payments or services proportionately to the value, without prejudice to our further legal claims.

If, after conclusion of the contract, it becomes apparent that our claim to delivery is at risk due to the partner's inability to perform or if there is a justified suspicion that the supplier may not be able to meet our claim to delivery due to inability to perform, we shall be entitled to withdraw from the contract as a whole or from individual delivery call-offs. Should we incur additional costs as a result, the supplier shall be obliged to reimburse us for these costs, unless he is not responsible for the withdrawal.

V. DELIVERY, TRANSFER OF RISK

We accept partial deliveries only with our prior written consent. In the case of agreed partial deliveries, the remaining quantity is to be exported.

If the delivery is made earlier than agreed, we reserve the right to return the goods at the supplier's expense. If no return is made in the case of early delivery, the goods shall be stored by us until the delivery date at the supplier's expense and risk. Payment of the invoice shall be made in due time with reference to the agreed delivery date.

Insofar as certificates of material tests have been agreed, these must be enclosed with the delivery of goods, unless they have been sent in advance. The certificates shall only be sent immediately after completion if they can only be sent at a later date for actual reasons. Shipment

shall be at the risk of the supplier. The risk of any deterioration, including accidental loss, shall remain with the supplier until delivery to the delivery address or place of use requested by us.

VI. DELIVERY DATES, DELAY IN DELIVERY, CONTRACTUAL PENALTY, ACCEPTANCE OF THE GOODS

The agreed dates are binding; if a fixed delivery date is not met, the supplier shall be in default of delivery without the need for a reminder. The receipt of the goods in perfect quality at the delivery address or place of use specified by us shall be decisive for compliance with the delivery period.

If acceptance is required, the supplier shall be in default without a reminder if it has not performed the service by the agreed date or has performed it only in such a way that acceptance can be refused (Section 640 (1) sentence 2 BGB). If the supplier recognises that the agreed deadlines cannot be met for any reason, he must inform us immediately in writing, stating the reasons and the duration of the delay.

The supplier may only invoke the absence of necessary documents to be supplied by us if he has sent a written reminder for the documents and has not received them within a reasonable period of time.

In the event of a delay in delivery, we are entitled to demand a contractual penalty of 0.1% of the delivery value per working day of delay, but not more than 5% of the delivery value. We reserve the right to assert further statutory claims; in the event of their assertion, any forfeited contractual penalty shall be offset against the asserted damage. The supplier shall be entitled to prove to us that no damage or significantly lower damage has been incurred as a result of the delay. We undertake to declare the reservation of the contractual penalty to the supplier within 10 working days at the latest, calculated from receipt of the delayed delivery.

If the supplier is released from its delivery obligation in whole or in part due to force majeure, we shall be entitled to withdraw from the contract if the delivery/service can no longer be utilised by us due to the delay caused by the force majeure, taking into account economic aspects.

VII. RETENTION OF TITLE

In the absence of a special written agreement, the supplier is not entitled to retain title to the delivery item after transfer of possession. Unless expressly provided for in a corresponding agreement, any retention of title shall not extend to claims outside the contract underlying these General Terms and Conditions.

VIII. GENERAL LIABILITY

The Supplier shall be liable for any form of bre-

ach of contract in accordance with the statutory provisions, unless otherwise stipulated in these Terms and Conditions.

IX. LIABILITY FOR DEFECTS, INSURANCE

The supplier shall deliver goods which comply with the requirements of the contract in terms of quality and type as well as with regard to packaging or container. In particular, the goods must be suitable for the purpose brought to the supplier's attention when the contract was concluded. If the supplier has produced an initial sample, the goods must have all the properties of the initial sample. If the purpose known to the supplier cannot be achieved with the properties of the initial sample, the goods do not comply with the contract. This shall also apply if the initial sample has been released by us.

If the purpose is not known to the supplier or if the supplier has not produced an initial sample, the goods shall only comply with the contract if the goods are suitable for purposes for which goods of the same type are usually used.

Unless otherwise agreed by the parties, the goods shall be deemed to be in conformity with the contract if the goods comply with the provisions of the country of destination. If the supplier is aware that the goods are to be used in several countries, the goods shall only be deemed to comply with the contract if they comply with the provisions of all those countries which were known to the supplier as countries of destination.

We shall lose our right to invoke a lack of conformity of the goods if we do not notify the supplier of such lack of conformity within a reasonable period of time after the time at which we discovered or should have discovered such lack of conformity, but no later than within 10 working days after receipt of the delivery by us. In this respect, the supplier waives the defence of delayed notification of defects.

If the goods do not comply with the contract, we may demand rectification or replacement delivery at our discretion. In the event of rectification, the supplier shall be obliged to bear all expenses necessary for the purpose of rectifying the defect, in particular transport costs, travel costs, labour costs and material costs. This applies in particular to dismantling and installation costs. If the supplementary performance fails, we are entitled to demand withdrawal or reduction at our discretion.

In the event of a defect in the product delivered or the work produced, we shall be entitled to remedy the defect ourselves after the unsuccessful expiry of a reasonable period set for subsequent performance and to demand reimbursement of the necessary expenses, unless the supplier justifiably refuses subsequent performance. In this respect, the statutory regulation on self-performance in the case of a contract for work and services (§ 637 BGB) shall apply accordingly to the contract of sale. Notwithstanding the statutory provision, in urgent cases, in particular to avert an acute risk of considerable damage,

we may remedy the defect ourselves at the supplier's expense even without setting a deadline for subsequent performance.

In addition, we may claim damages in accordance with the statutory provisions. The warranty period shall be 24 (in words: twenty-four) months, unless expressly agreed otherwise. It begins with the handover of the delivery item to us or to the third party named by us at the place of receipt and use specified by us. If acceptance dates have been agreed, the guarantee and warranty period shall commence with the successful acceptance. If acceptance is delayed through no fault of the supplier, the warranty period shall commence no later than 12 (in words: twelve) months after the delivery item has been made available for acceptance.

If a defect occurs during the first 12 months (warranty period) of the warranty period, it shall be presumed that this defect already existed at the time of the transfer of risk, unless this presumption is incompatible (with the nature of the item or the defect).

For delivery parts which cannot remain in operation during the investigation of the defect and/or the rectification of the defect, the current guarantee or warranty period shall be extended by the time of the interruption of operation.

For repaired or newly delivered parts, the guarantee or warranty period shall begin anew at this time – beyond the statutory suspension.

Claims which already exist at the beginning of the warranty period or which arise during the warranty period shall become statute-barred in accordance with the statutory limitation periods. The limitation period shall begin to run when the claim arises. In the event of defects of title, the supplier shall indemnify us against any existing claims of third parties. If, as a result of a defect in the item or work delivered by the contractual partner, we had to take back the item or work delivered by the contractual partner, accept a reduction in the purchase price or remuneration or pay our customer damages or reimbursement of expenses, the rights against the contractual partner described in § 437 BGB (German Civil Code) on account of the defect asserted by our customer do not require us to set a deadline. In these cases, the aforementioned warranty period shall commence with the transfer of risk to our customer. The limitation period for the aforementioned claims shall commence at the earliest two months after the date on which we have satisfied the claims of our customer. This suspension of expiry shall end at the latest five years after the point in time at which the contractual partner has delivered the item or the work to us. The supplier shall insure itself against all risks arising from material defects and product liability, including the risk of recall, to an appropriate amount and shall submit the insurance policy to us for inspection upon request.

X. WARRANTY

The supplier guarantees and assures that all deliveries/services comply with the latest state

of the art, the relevant legal provisions and the regulations and guidelines of authorities, trade associations and professional associations. If deviations from these regulations are necessary in individual cases, the supplier must obtain written consent for this. The supplier's warranty obligation shall not be limited by the consent. If the supplier has reservations about the type of execution requested by us, the supplier must inform us of this in writing without delay.

The supplier warrants and represents that all deliveries are free from third party industrial property rights and, in particular, that the delivery and use of the delivery items does not infringe any patents, licences or other industrial property rights of third parties within Germany. If the supplier is aware that his products are also distributed by us in certain countries, the above shall also apply to these countries.

XI. OPERATING RESOURCES

If the supplier manufactures tools, moulds, models, clichés etc. according to our specifications or design documents, the documents and samples provided by us must be returned to us within 10 working days after completion of the order without being requested to do so.

The supplier expressly undertakes not to make the documents, samples and items made available to him available to a third party for inspection or disposal without our written consent and not to hand over the items manufactured hereunder to third parties without our consent.

Upon payment of costs, tools, moulds and devices shall become our property. At the same time, the supplier shall receive the right to use them free of charge within the scope of the delivery obligation entered into towards us.

XII. PRODUCT LIABILITY, INDEMNIFICATION

If a claim is made against us on the basis of official safety regulations violated by the supplier or on the basis of domestic or foreign product liability regulations due to the defectiveness of our product, which is attributable to a product of the supplier, then we are entitled to demand compensation from the supplier for the damage incurred by us as a result, insofar as this is caused by his products. The same shall apply if measures are imposed on us on the basis of the Product Safety Act.

Within the scope of his product responsibility, the supplier is obliged to indemnify us against claims for damages by third parties upon first request. In this context, the supplier shall also be obliged to reimburse any expenses pursuant to Sections 683, 670 of the German Civil Code (BGB) arising from or in connection with a recall action carried out by us. As far as possible and reasonable, we shall inform the supplier about the content and scope of the recall measures to be carried out and provide a statement.

XIII. QUALITY ASSURANCE

Product development and production process

development shall be carried out in accordance with section 7.3 DIN ISO EN 9001:2008. As soon as the supplier is certified according to DIN ISO EN 9001:2015, the same applies to the 2015 version.

The supplier shall have a process that ensures the quality of procured products (see clause 7.4.3 DIN ISO EN 9001:2008). One or more of the following methods shall be used for this purpose: Receipt and evaluation of statistical data by the supplier, Incoming inspection, such as sampling based on performance, evaluation or auditing of suppliers' production sites by the supplier or independent third parties, combined with records of a contractual quality of delivered product parts assessment by a specified testing laboratory, another method agreed with us.

The supplier is not authorised to make changes to products, processes, technical data, specifications, materials, quality criteria, deadlines, delivery quantities, relocation of production sites, insofar as these have an impact on our requirements for the product.

XIV. PROPERTY RIGHTS

The supplier shall indemnify us and our customer against claims of third parties arising from any infringements of industrial property rights and shall bear all costs incurred by us in this connection.

We are entitled, taking into account the duty of care of a prudent businessman, to obtain permission for the use of the relevant delivery items and services from the entitled party at the supplier's expense. If third parties claim that they are the owners of industrial property rights with regard to the delivered products, we shall inform the supplier thereof within 14 days. In the event of claims by third parties regarding industrial property rights, we shall be entitled to demand that the supplier carry out any necessary changes at his own expense, even if the goods have been delivered and paid for. Further claims remain unaffected.

If the supplier is prohibited from manufacturing or delivering by a third party with reference to an industrial property right belonging to him, we shall be entitled to refuse the fulfilment of acceptance obligations until the legal situation has been clarified by us and the third party, unless we ourselves are responsible for the infringement of the industrial property right.

If we incur costs as a result of the refusal to accept products, the supplier shall be obliged to reimburse these costs.

If we incur damage as a result of the refusal to accept products, the supplier shall be obliged to reimburse the damage, unless the supplier is not responsible for the infringement of property rights.

If the continuation of the order is delayed not only insignificantly, we shall be entitled to declare our withdrawal, irrespective of further rights. The supplier shall indemnify us against all corresponding claims of third parties.

XV. RIGHT OF WITHDRAWAL, TERMINATION OF OPEN-ENDED CONTRACTS

In the event of an unforeseen event for which we are not responsible, which significantly changes the economic

In the event of an unforeseen event for which we are not responsible and which significantly changes the economic significance or the content of the performance or has a significant effect on our business and in the event of subsequent impossibility for which we are not responsible, we shall be entitled to withdraw from the contract in whole or in part unless the supplier cannot be reasonably expected to accept a partial withdrawal. Further statutory rights of withdrawal shall not be affected by this provision. Claims for damages on the part of the supplier due to such a withdrawal do not exist. If we wish to make use of the right of withdrawal, we must inform the supplier of this, even if an extension of the delivery period was initially agreed with the supplier.

Unlimited contracts can be terminated by us with a notice period of 3 months.

XVI. PLACE OF JURISDICTION, PLACE OF PERFORMANCE, SEVERABILITY CLAUSE

If the supplier is a merchant, a legal entity under public law or a special fund under public law, the place of jurisdiction shall be Ludwigsburg: however, we shall also be entitled to sue the supplier at its general place of jurisdiction. The same shall apply if the supplier does not have a general place of jurisdiction in Germany, moves his place of residence or habitual abode out of Germany after conclusion of the contract or his place of residence or habitual abode is not known at the time of the action.

Unless expressly agreed otherwise, the place of performance for the delivery obligation is the delivery address or place of use requested by us, for all other obligations of both parties Marbach. Should individual parts of these general terms and conditions of purchase be legally invalid, the validity of the remaining provisions shall not be affected thereby.

XVII. FOREIGN BUSINESS

If the supplier has its branch abroad, the following shall apply in addition:

The relationship between the supplier and us shall be governed exclusively by German law.

An offer shall only be deemed to have been accepted at the time at which the offeror receives the declaration of acceptance or at the time at which the offeror becomes aware of the act of the acceptor which is to be regarded as consent. If we declare the cancellation of the contract due to a delayed delivery, we may make a covering purchase within 6 months.

If the goods or the service lacks a feature or characteristic stipulated in the specification, this shall constitute a material breach of contract. Goods must be inspected within 4 weeks after handover at the place of use, but no later than 8 weeks after handover at the place of performance.

A defect must be reported within 4 weeks after the defect is discovered or should have been discovered.

Even in the case of non-substantial breaches of contract, we shall be entitled to demand, at our discretion, rectification of the defect, replacement delivery and/or compensation for damages, a reduction in price or cancellation of the contract.

A contractual warranty period does not shorten a statutory exclusion period. Provided that a defect has been notified in due time, we may at any time within the warranty period or within the statutory preclusion period demand the cancellation of the contract, the rectification of the defect or the replacement delivery. If we have a claim for damages against the supplier, this is not limited.

Payments shall be deemed to have been made in due time if a bank transfer has been commissioned on the last day of the payment period.

Insofar as one of the provisions of clause XVII. is in conflict with the other general terms and conditions of purchase, the provision of clause XVII. shall take precedence.

The contractual language is German. Insofar as the contracting parties use another language in addition, the German wording shall take precedence.