

Terms and Conditions of Purchase

of the Company INDUSTRONIC® Industrie-Electronic GmbH & Co. KG

§ 1 General – Area of Application

- (1) The INDUSTRONIC® terms and conditions of purchase apply exclusively; we do not recognise any supplier's terms and conditions which differ from or contradict our terms and conditions, unless we have expressly agreed in writing that these shall apply. The INDUSTRONIC® terms and conditions of purchase also apply if INDUSTRONIC® accepts a delivery without reservation, in the full knowledge of Supplier's terms and conditions which differ from or contradict our terms and conditions.
- (2) All agreements made between INDUSTRONIC® and the Supplier must be recorded in writing in this contract.
- (3) With acceptance of the order, the Supplier or Service Provider (hereafter included in the term "Supplier") recognises these terms and conditions of purchase as binding now and for all subsequent legal relations. Any terms and conditions other than these shall not be applicable. If INDUSTRONIC® does not object to any Supplier's terms and conditions which specify otherwise, this may not be deemed as acceptance by INDUSTRONIC®.
- (4) Any deviations and reservations noted or raised by the Supplier in the order confirmation shall only become a part of the contract if the Supplier refers to the change by express written notification and INDUSTRONIC® agrees to the change in writing.

§ 2 Quotation – Quotation Documents – Constituents of Contract

- (1) INDUSTRONIC® shall consider this quotation binding for two weeks.
- (2) INDUSTRONIC® reserves the right to copyrights and intellectual property rights in respect of diagrams, drawings, calculations and other documents; these may not be made available to third parties without the express written consent of INDUSTRONIC®. They are to be used exclusively for production on the basis of our order; on completion of the order they must be returned to us without our having to request it. They must be kept confidential from third parties.
- (3) The constituent parts of this contract take precedence as follows:
 - the details in our order
 - these terms and conditions of purchase
 - any production drawings designated binding by us
 - test and construction instructions
 - special packaging and despatch instructions.
- (4) Confirmations, invoices, delivery notes and other correspondence must show the order number, supplier number and material number of INDUSTRONIC®. Invoices which do not show these details shall be deemed not to have been received until they have been clarified or completed by the Supplier.
- (5) All deliveries must be accompanied by a statement detailing precise information on the contents and the numbers specified above. On the date of despatch of the goods, a despatch note containing the above details must be sent to us independently of the invoice.

§ 3 Prices – Terms and Conditions of Payment

- (1) The prices shown in the order are binding. In the absence of any written agreement to the contrary, the price includes free delivery to the destinations specified by INDUSTRONIC® including packaging and other costs.
- (2) The price includes VAT at the legal rate in force.
- (3) INDUSTRONIC® is only able to process invoices if these show the order number detailed in the information on the order; the Supplier is responsible for any consequences arising from failure to comply with this obligation, unless the Supplier can prove that it was not responsible for this.
- (4) INDUSTRONIC® shall only be obliged to make full payment for goods which are free from defects, fully functional and in compliance with the order.
Insofar as nothing is agreed to the contrary, INDUSTRONIC® is entitled to make payments as follows:
On the **15th of the month following receipt of the invoice, with a discount of 3%**. The period is calculated from receipt of the invoice or, if delivery is later, on receipt of the goods.
- (5) We reserve the right to set-off and retention in accordance with the law.

§ 4 Delivery – Delivery Date

- (1) The delivery date specified in the order is binding.
- (2) The Supplier is obliged to inform INDUSTRONIC® immediately in writing, if circumstances arise or become known to the Supplier, which indicate that the required delivery date cannot be complied with.
- (3) In the case of failure to comply with the delivery deadlines, INDUSTRONIC® is entitled to withdraw from the contract on expiry of a reasonable period (generally 3 working days) or refuse acceptance of the delivery, or in the case of partial deliveries, of the still outstanding parts, and if the Supplier is at fault, to demand compensation.
- (4) In the case of delayed delivery, INDUSTRONIC® is entitled to demand fixed compensation for delay amounting to 1% of the value of the delivery per full week, but no more than 10%; the right to any further legally-justified claims (withdrawal or compensation for failure to perform) is reserved. The Supplier has the right to prove to INDUSTRONIC® that the delay caused no losses, or that such losses were insignificant.

§ 5 Inspection for Defects - Warranty

- (1) The receipt of goods by INDUSTRONIC® or confirmation thereof does not constitute acceptance as provided by the legal regulations. From the moment of receipt of the goods, only the risk of any destruction or damage to the goods is transferred to INDUSTRONIC®.
- (2) The goods are received subject to subsequent inspection, for which INDUSTRONIC® shall have a period of three weeks. Any defects not immediately apparent shall be determined on first use of the goods, provided a later time is not reasonable from the nature of the goods.
- (3) If drawings, materials or tools are made available to the Supplier, technical specifications given, material qualities specified or implementation instructions provided, the Supplier is obliged to check these for completeness, correctness and suitability for the purpose. If no defects are notified, the Supplier has unlimited responsibility in this regard.
- (4) The Supplier warrants that the goods supplied shall be free from defects affecting their value or their suitability, that they are not lacking in any of the assured properties, and that they comply with the generally recognised technical regulations, and the legal and official directives. The Supplier also undertakes the same warranty in respect of parts supplied by its subcontractors.
- (5) Defective goods shall, at the discretion of INDUSTRONIC®, either be repaired free of charge by the Supplier, replaced by defect-free goods, or accepted back in return for a credit note. INDUSTRONIC® may also demand a return for a credit note if it has first demanded a repair or exchange for defect-free goods, but after a single improvement attempt the Supplier is not in a position to repair the goods or supply replacement by defect-free goods immediately. In the case of replacement, the returned goods shall be debited according to value and the replacement delivery invoiced anew by the Supplier.
- (6) Without prejudice to the right to choose of INDUSTRONIC® in the case of a defective delivery, the Supplier must bear the costs arising from the transport of the defective goods and the investigation costs incurred by INDUSTRONIC® for the purposes of discovering the defects, and also the storage costs and any removal and reinstallation costs, if the defective goods are replaced at the INDUSTRONIC® premises. In the case of replacement or repair of the defect, the Supplier shall undertake a new warranty as in the case of new deliveries.

(7) Moreover, in the case of blame, and in the case of lack of assured properties also without blame, the Supplier must compensate for all other losses arising from the supply of defective goods.

(8) If a part of the delivery, or a delivery instalment, is found to be defective, INDUSTRONIC® shall be entitled to refuse acceptance of any deliveries still outstanding, and in the case of blame, or in the case of lack of assured properties, also without blame, to demand compensation for non-performance.

(9) Our warranty or compensation claims expire at the end of the legally-defined periods, but at the earliest after 24 months.

§ 6 Product Liability – Release – Intellectual Property Rights of Third Parties – Copyrights

- (1) Insofar as the Supplier is liable for product damage, it is obliged to release INDUSTRONIC® to that extent from claims for compensation by third parties on first demand, if the cause is within its sphere of control and management and the Supplier itself is liable in the third-party relationship.
- (2) The Supplier is responsible for ensuring that in connection with its delivery, no third-party rights within and outside the Federal Republic of Germany are infringed. If claims are made by a third party against INDUSTRONIC® for this reason, the Supplier shall be obliged to release INDUSTRONIC® from such claims on first written request; INDUSTRONIC® is not entitled to make any agreement with the third party without the consent of the Supplier, in particular to agree on a settlement. The Supplier's obligation to release INDUSTRONIC® from liability relates to all outlay which it is necessary for INDUSTRONIC® to make because of or in connection with claims by a third party.
- (3) Insofar as any copyrights apply in respect of works ordered by INDUSTRONIC®, the Supplier shall grant INDUSTRONIC® exclusive and transferable user rights, unlimited in time and space. The user rights relate to all types of use, in particular to the publication and utilisation of derivations of the work, transfer of the work to visual, tape or electronic data carriers, and any public reproduction of the work. The Supplier will take care to ensure that third parties acting under its instructions transfer user rights to us in the scope specified above. If the Supplier is unable to reach agreement with the third parties in this regard, it must inform INDUSTRONIC® immediately in writing and refrain from instructing the third party until INDUSTRONIC® agrees to the appointment in writing.
- (4) The Supplier undertakes to take out product liability insurance cover for a sum of €5 million per incidence of personal injury/damage to property; if INDUSTRONIC® is entitled to make any further claims for damages, these are not affected.

§ 7 Reservation of Title – Composite Products – Tools – Confidentiality

- (1) Insofar as INDUSTRONIC® adds parts to those of the Supplier, INDUSTRONIC® reserves its title in respect of these. Processing or transformation by the Supplier are undertaken on behalf of INDUSTRONIC®. If goods to which INDUSTRONIC® reserves title are processed together with other items which do not belong to INDUSTRONIC®, INDUSTRONIC® shall acquire joint ownership of the new product in the proportion of the value of the item at the time of processing to that of the other items being processed.
- (2) If an item contributed by INDUSTRONIC® is combined indivisibly with other items not belonging to INDUSTRONIC®, INDUSTRONIC® shall acquire joint ownership of the new item in the proportion of the value of the item to which it reserves ownership to the other combined items at the time of combination. If the combination is made in such a way that the object belonging to the Supplier is regarded as the main item, it is deemed to have been agreed that the Supplier transfers proportional joint ownership to INDUSTRONIC®, the Supplier holds general ownership of joint ownership on behalf of INDUSTRONIC®.
- (3) INDUSTRONIC® reserves ownership of tools or comparable items; the Supplier is obliged to use the tools or comparable items exclusively for the manufacture of goods made for INDUSTRONIC®. The Supplier is obliged to insure at its own expense the tools belonging to INDUSTRONIC® for their as-new value against fire and water damage and theft. The Supplier is also obliged to carry out, also at its own expense, any necessary maintenance and inspection works at the proper intervals. Any breakdowns must be notified by the Supplier immediately; if it neglects this obligation, INDUSTRONIC® shall be entitled to claim for damages.
- (4) The Supplier is obliged to maintain strict confidentiality in respect of all diagrams, drawings, calculations and other documents and information it is given. It may only reveal them to third parties with the express consent of INDUSTRONIC®. The confidentiality obligation continues to apply on expiry of the contract; it expires if and insofar as the knowledge contained in the diagrams, drawings, calculations and other documents made available becomes general public knowledge.
- (5) If nothing is agreed to the contrary, tools, moulds and similar items, produced wholly or partially at the expense of INDUSTRONIC®, shall on production pass to the ownership of INDUSTRONIC®. They must be kept with care by the Supplier, so that they are fit for use at all times. In the case of delayed delivery, INDUSTRONIC® shall be entitled to demand the return, free of charge, of the tools, moulds and similar items, and the Supplier shall have no right of retention. If these items are not in the ownership of INDUSTRONIC®, INDUSTRONIC® may demand the transfer for temporary use, subject to payment of a reasonable fee.

§ 8 Legal Venue – Place of Performance – Data Protection – Applicable Law

- (1) The legal venue for merchants in respect of all claims in connection with the supply of goods and/or services to be provided is **Wertheim**. If the Supplier has its headquarters abroad, INDUSTRONIC® may also choose a justified legal venue abroad. However, for claims against INDUSTRONIC® the legal venue is exclusively the courts of **Wertheim**.
- (2) The place of performance for all claims in connection with the supply of goods or services to be provided is **Wertheim**.
- (3) INDUSTRONIC® is entitled to process data on the Supplier, received regarding the business relationship or in connection with it, whether provided by the Supplier itself or from third parties, for its own purposes in accordance with the data protection laws of the Federal Republic of Germany.
Any claims for damages based on the use of such data are excluded, except in cases of malicious intent or gross negligence.
- (4) German law shall apply to the contractual relationship, provided nothing is expressly agreed to the contrary. The application of the United Nations Convention on Contracts for the International Sale of Goods (CISG) is expressly excluded.

§ 9 Proviso Clause

The invalidity of individual aspects of these terms and conditions of purchase shall not affect the validity of the remaining provisions. Alterations to individual aspects of these terms and conditions of purchase or other contractual verbal agreements must be confirmed in writing.