

Applicable for business dealings with traders, corporate bodies under public law and special assets regulated by public law.

## 1. General

Our purchasing terms and conditions apply exclusively; supplier's general terms and conditions which conflict with or deviate from our purchasing terms and conditions can only be honoured inasmuch as we have provided written agreement. The acceptance of delivered goods or services from the supplier or payment thereof does not imply agreement.

## 2. Contract conclusion and contract changes

- 2.1 All orders, deals and forecast delivery schedules as well as any changes or amendments are required in written form.
- 2.2 Unwritten agreements of any sort - including subsequent changes and amendments to our purchasing terms and conditions - require our written confirmation before becoming effective.
- 2.3 Remote data transmission or telefax are regarded as written form.
- 2.4 Quotations are binding and are not refundable, unless something different was explicitly agreed.
- 2.5 If the supplier does not accept the order within two weeks after receipt, then we are entitled to cancellation.
- 2.6 Forecast delivery schedules as part of an order and delivery planning become binding if the supplier does not contradict within two working days after receipt.
- 2.7 The agreement with suppliers concerning quality, work safety, environmental protection and social responsibility (Quality Assurance Agreement), the logistics manual, as well as the delivery and packaging regulations of sitronic GmbH & Co. KG are an integral part of the contract.

## 3. Delivery

- 3.1 Deviations from our deals and orders are only permissible following our prior written approval.
- 3.2 Agreed delivery dates and delivery times are binding. Decisive for adherence to the delivery date or the delivery time is the arrival of the goods at sitronic. If delivery is not agreed as "free domicile" (DAP or DDP according to Incoterms 2010), the supplier shall provide the goods to the haulage contractor in good time, taking into account the agreed times for loading and transportation.
- 3.3 Should the supplier have accepted responsibility for set-up or assembly and unless otherwise agreed, the supplier shall meet all necessary additional costs such as travel expenses, provision of tools as well as accommodation allowances.
- 3.4 Should agreed deadlines not be fulfilled, the legal regulations apply. If the supplier foresees problems with respect to manufacturing, availability of semi-finished goods, meeting delivery dates, or other similar circumstances which are likely to prevent on-time delivery or non-fulfilment of the agreed quality, then the supplier shall inform the ordering department without delay.
- 3.5 The unconditional acceptance of a late delivery or service provision does not comprise a relinquishment of any justified claims for compensation because of the late delivery. This applies until full payment of the fees due for the delivery of goods or services concerned.
- 3.6 Partial deliveries are strictly unacceptable, unless this has been explicitly agreed or this is reasonable for us.
- 3.7 For quantities, weights and dimensions, should no other evidence be available, the values determined by us in the incoming inspection are decisive.
- 3.8 We hold the rights for use of software, including its documentation, which is a part of the scope of the delivery, to the legally allowed extent according to German Copyright Law (§§ 69a ff. UrhG).
- 3.9 For such software, including documentation, we further have the right of utilization with the agreed performance characteristics and to the extent of usage necessary for the application of the product in conformance with the contract. We are permitted to create and archive a back-up copy, without explicit agreement.

## 4. Circumstances beyond control

- 4.1 Circumstances beyond control, disruptions in operations through no fault of one's own, civil disturbance, official actions and any other unavoidable incidents free us from the obligation to acceptance in due time. During such incidents and within two weeks of their end, independent of any other regulations we are entitled to completely or partially withdraw from the contract, inasmuch as these incidents are not of insignificant duration and our needs are significantly reduced due to alternative procurement.
- 4.2 The provisions of clause 4.1 also apply to industrial conflicts.

## 5. Dispatch note and invoice

The details are specified in our purchase orders and forecast delivery schedules. The original of the invoice, including the invoice number and other unique identifiers, shall be delivered to the billing address and must not be enclosed with the delivery.

## 6. Price setting and transfer of perils

As long as no specific agreement is made to the contrary, prices include packaging and delivery to the named place of destination (DAP, according to Incoterms 2012). Value Added Tax (VAT) is not included. The supplier bears the risk of loss, damage or deterioration of the shipment until receipt by us or our representative at the destination named in the contract.

## 7. Terms of payment

Inasmuch as no other agreement is made, payment of the invoice will be made either within 20 days deducting 3% discount, or, within 30 days without deduction, following the due date of the invoiced payment and receipt of both the invoice and the goods or services. Payment is made under reserve of the accounting control.

## 8. Claim for defects and regress

- 8.1 We must notify the Supplier of defects in the contractual object as soon as these are identified in the normal course of business, within 10 working days. In this respect, the Supplier shall waive any plea for late notification of defects. Our obligation to examine for defects and to notify defects is limited to examination of quantitative details on the relevant delivery note and to visually discernible shipping damage upon delivery (visual defects). Any further obligation to examine for defects and to notify defects does not form part of these Conditions and the Supplier expressly waives its right to object to notification of defects carried out improperly according to § 377 German Commercial Code.
- 8.2 The legal regulations concerning material or quality defects and deficiencies in title are applicable, inasmuch as nothing else is agreed.
- 8.3 We are principally entitled to the right to choose the type of cure. The supplier can refuse the chosen type of cure if this involves unreasonable costs.
- 8.4 Should the supplier not begin immediately after our request with the relief of the defects, then in urgent cases, in particular in the prevention of acute dangers or avoidance of greater damages, we are entitled to carry out these measures ourselves or have them performed by a third party, at the expense of the supplier.
- 8.5 In case of defective titles the supplier indemnifies us and holds us harmless from any existing claims by a third party, unless the supplier is not responsible for the defective title.
- 8.6 Claims for defects expire by limitation - except in cases of fraud - after 3 years, under the condition that the object has been used in a construction under usual conditions and has caused its deficiency. The period of limitation begins with the handover of the subject of contract (passing of risk).
- 8.7 Should the supplier fulfil its obligation to cure by a replacement delivery, then the limitation period restarts for the goods delivered as replacement, unless the supplier at the time of cure explicitly appropriately reserved the right to provide a goodwill replacement delivery to avoid any disputes or in the interest of maintaining the supply relationship.
- 8.8 Should costs arise for us as a result of a deficient delivery of the subject of the contract, in particular costs for transport, travel, labour, assembly, disassembly, material or costs for an incoming inspection which exceeds the usual extent, these costs shall be met by the supplier.

## 9. Product liability

- 9.1 In the case that a claim is made against us for reasons of product liability, the supplier is obliged to hold us harmless of such claims, inasmuch as the damage has been caused by the subject of the contract delivered by the supplier. In case of fault-based liability, this applies only when the supplier actually carries the blame for the fault. Should the cause of the deficiency be within the area of responsibility of the supplier, the supplier must provide evidence that it is not due to his negligence.
- 9.2 In cases described in § 9.1, the supplier shall carry all costs and expenses, including the cost of any prosecution.
- 9.3 Further, statutory regulations apply.
- 9.4 Before any product recall program which is a completely or partially due to a deficiency in the subject of the contract delivered by the supplier, we will inform the supplier to give the supplier the possibility to participate with us in order to find an efficient procedure, unless it is not possible to inform or involve the supplier due to particular urgency. Inasmuch as the recall program is necessary due to a defect in the subject of contract delivered by the supplier, the supplier shall carry the cost of the recall program.



## 10. Rights of withdrawal and of termination

- 10.1 Beyond the statutory rights of withdrawal, an immediate withdrawal or termination of the contract by us is justified if:
- the supplier has stopped delivery to its customers,
  - a significant deterioration of the financial circumstances of the supplier arises or threatens to arise and thereby the fulfilment of the delivery commitment is endangered,
  - the insolvency or excessive indebtedness of the supplier is a matter of fact, or
  - the supplier ceases to make payments.
- 10.2 Further, a withdrawal or termination of the contract by us is justified if the supplier registers for insolvency of its assets or applies for a comparable process for settlement of debts.
- 10.3 Should the supplier have performed part of the contracted work, a withdrawal from the whole contract is only justifiable if we have no interest in the partial work.
- 10.4 Inasmuch as we withdraw from or terminate the contract as the result of the preceding contractual withdrawal and termination rights, the supplier shall compensate us for the resulting damages, unless the supplier is not responsible for the grounds of the withdrawal and termination rights.
- 10.5 Statutory rights and claims are not restricted by the provisions laid down here in § 10.

## 11. Execution of works

Persons who, in order to fulfil the contract, carry out work in our business premises shall observe the provisions of the appropriate works regulations. Liability for accidents in which such persons are involved is excluded, inasmuch as any accident is not caused through deliberate or grossly negligent breach of duty of our legal representative or vicarious agent.

## 12. Provisioning

Materials, parts, containers and special packaging which are provided by us, remain our property. Such property shall only be used as prescribed. The processing of materials and the assembly of parts is carried out for us. Mutual agreement exists that we are joint owners of the manufactured products to the ratio of the value of the provided goods to the value of the completed products using our materials and parts, which in this respect are in safekeeping at the supplier.

## 13. Documentation and confidentiality

- 13.1 All business and technical information (including characteristics which can be derived from any physical objects, documentation and software, as well as other knowledge and experience) to which we have provided access, as long and as inasmuch as not evidently published, shall be treated confidentially and shall not be exposed to any third party. Further, in the suppliers company this information, which is exclusively our property, shall only be made available to such persons for whom its use is necessary in order to fulfil the delivery contract for us, and these persons shall also be obliged to keep the information confidential. Without our prior, written consent such information - apart for deliveries to us - shall not be reproduced or used for any other business purpose. Upon our request, all information originating from us (where applicable including any copies or records made) and loaned objects shall be completely returned to us or destroyed. We maintain all rights on such information, including copyright and the right to apply for intellectual property protection such as patents, utility patents, semiconductor mask-work rights, etc.). Inasmuch as these were made available to us by a third party, this legal reservation also applies to the benefit of this third party.
- 13.2 Products which are produced using documentation developed by us, The supplier is obliged to inform us in its business documentation of any duty to obtain a permit for (re-)export of the supplier's goods according to German, European or US export and customs regulations, as well as the export and customs regulations of the country of origin of the supplier's goods. Hereto the supplier shall provide, at least in its quotations, contract confirmations and invoices for the appropriate items, the following information:
- the export list number according to Annex AL of the German Export Regulations or comparable list items of relevant export lists,
  - for US goods the ECCN (Export Control Classification Number) according to the US Export Administration Regulations (EAR),

such as drawings, models, etc., or are manufactured following our confidential information or with our tools or copied tools, shall not be used by the supplier itself or offered or delivered to a third party. This also applies analogously to our printing contracts.

## 14. Export control and customs

- the trade origin of its goods and the constituent materials of its goods including technology and software,
- whether the goods are transported through the USA, produced or stored in the USA, or manufactured with the aid of US American technology,
- the HS-code for the supplier's goods according to the Harmonized Commodity Description and Coding System, as well as
- a contact person in the supplier's organization for clarification of any enquiries from us.

Upon our request, the supplier is obliged to provide us with all further foreign trade data for its goods and their constituent materials in writing, and further, before delivery of such goods, to provide promptly information about all changes to the preceding data in written form.

## 15. Compliance

- 15.1 The supplier is obliged to comply with the appropriate statutory regulations concerning treatment of employees, environmental protection and work safety and further to endeavour to reduce the impact of its activities on humans and the environment. Hereto the supplier shall, as far as possible, implement and continually develop a management system according to ISO 14001. Further, the supplier shall observe the principles of the UN Global Compact Initiative. These are concerned mainly with the protection of international human rights, the right to wage and salary negotiations, the abolishment of compulsory labour and child labour, the elimination of discrimination in hiring and employment and the prevention of corruption. Further information about the UN Global Compact Initiative can be found under [www.unglobalcompact.org](http://www.unglobalcompact.org).
- 15.2 Should the supplier repeatedly and/or despite a corresponding warning behave contrary to the laws and not provide evidence that a breach of the law has been remedied as far as possible, and that suitable measures have been put in place to avoid such a breach of the law in future, we reserve the right to withdraw from existing contracts or to terminate these without notice.

## 16. Place of fulfilment

The place of fulfilment is that place to which the goods are to be delivered or where the service is to be provided, as defined in the contract.

## 17. General provisions

- 17.1 Should any provision in these terms and conditions and the further agreements made be or become legally void, then the other provisions remain unaffected. The contracting parties are obliged to replace the void provisions with a regulation which comes closest to the original business intentions of the parties.
- 17.2 For the contractual relationship without exception German law applies excluding conflict of laws and the UN Convention on Contracts for the International Sale of Goods (CISG).
- 17.3 Insofar as the Supplier is a merchant, a legal entity under public law or special fund under public law, the place of jurisdiction for all disputes arising from the contractual relationship shall be our business headquarters. We are also entitled to initiate claims at the Supplier's registered office.