

General Terms and Conditions of Purchase

1. Scope

1.1 Any delivery of goods and services to us shall be subject to the terms and conditions set forth herein to the extent no other agreements have been explicitly made.

1.2 As far as the client's general terms and conditions are inconsistent with ours, their application shall be subject to our explicit written approval.

2. Orders

2.1 Our orders and any changes and additions to the orders must be made in writing or text form.

2.2 We are entitled to cancel our order free of charge if you do not confirm our order in unmodified form within two weeks after receipt.

3. Time-limits, consequences of delay

3.1 Agreed time-limits for deliveries of goods and services shall be binding. If delays are expected or occur you shall immediately notify us in writing.

3.2 If you fail to deliver or perform within an additional period of grace set by us, too, we shall without prior notice be entitled to refuse acceptance, rescind the contract or demand compensation for non-performance. We shall be entitled to rescind the contract even if the delay was not your fault. You shall bear any additional costs incurred by us because of your default, especially those resulting from the necessity to purchase from third parties instead.

3.3 The right to demand an agreed contractual penalty for inappropriate performance (§ 341 BGB – German Civil Code) shall be reserved for us until the final payment.

4. Prices

Prices shall be fixed prices. They shall include all expenses in connection with the goods and services provided by you.

5. Execution, delivery

5.1 You may only subcontract with our consent, unless such contracts are merely for the supply of standard parts. Delivery call orders shall be binding with regard to the nature and quantity of the goods ordered and the delivery time. Part-deliveries shall require our consent.

5.2 All deliveries must be accompanied by a delivery note stating our order number as well as details of the nature and quantity of the contents.

5.3 Deliveries shall generally include customary one-way standard packaging. If reusable packaging is used, it shall be provided on loan. Return of the reusable packaging shall be carried out on your account and risk. If as an exception we take over packaging costs, these costs shall be calculated on basis of verifiable net costs.

5.4 In the event that equipment is delivered, a technical description and instructions for use shall be included free of charge. In case of software products, the delivery obligation shall only have been met once all the (systems and user) documentation has also been delivered. For programs that are specifically developed for us, the program shall also be delivered in source format.

5.5 When you are delivering goods or providing services on our premises you shall obey the directions for non-employees concerning security, environmental and fire protection currently in force.

6. Invoices, payments

6.1 Invoices shall be presented to us with separate post; they shall state our order number.

6.2 Your entitlement to payment shall be due 30 days after receipt of the goods and your invoice or at our choice within 14 days with a 2 % discount. Payment shall be deemed to have taken place on the day our bank has received the transfer order.

6.3 Payments shall not be deemed as acknowledgment that the good or service is in accordance with the contract. In the event that a good or service is defective or incomplete, we shall be entitled, without prejudice to our other rights, to withhold an reasonable amount of payments with regards to debts based on the business relationship until you have performed in accordance with your contractual obligations.

6.4 The cession of your claims against us to third parties shall be excluded.

7. Safety, environmental protection

7.1 Your goods and services must comply with the statutory provisions, especially the provisions relating to safety and environmental protection, including the regulations on hazardous substances, the ElektroG (German Law on the Marketing, return and environmentally friendly Disposal of Electric and Electronic Equipment) and with the safety recommendations of competent German professional bodies or organizations, such as VDE, VDI and DIN. The relevant certificates and documents must be supplied free of charge.

7.2 You shall be obliged to determine and comply with the currently applicable directives and laws with regards to restrictions on hazardous substances for your components. You shall be obliged not to use banned substances. You shall specify all substances to be avoided and all dangerous substances. If applicable you shall submit safety data sheets (at least in German or English) with your offers and with the delivery note of your first delivery. If you have any evidence that your delivery has violated restrictions on substances or contained banned substances you shall be obliged to immediately inform us.

7.3 With respect to deliveries and the performance of services you alone shall be responsible for compliance with regulations for the prevention of accidents. Any



General Terms and Conditions of Purchase

necessary safety equipment and manufacturer's instructions shall be supplied free of charge.

8. Import and export provisions, customs

8.1 For goods and services from a country (other than Germany) that is within the EU, the EU value added tax identification number shall be quoted.

8.2 Imported goods shall be delivered duty paid. You shall be obliged to provide at your own expense the required declarations and information under Regulation (EC) No.1207 / 2001, allow checks to be performed by customs officials and furnish the requisite official letters of confirmation.

8.3 You shall be obliged to inform us in writing and detail about any (re-) export license obligations pursuant to German, EU and US export and customs regulations as well as export and customs regulations of the country of origin of the goods and services.

9. Passage of risk, acceptance, title

9.1 Irrespective of the agreed price terms the risk passes to us in case of delivery without installation or assembly upon receipt at the delivery address we have given and in the event of delivery with installation or assembly upon successful completion of our acceptance. Commissioning or use shall not replace our declaration of acceptance.

9.2 We shall acquire property of the delivered goods after payment. Any elongated or extended retention of title shall be excluded.

10. Obligation to examine goods and notification of defects, expenses

10.1 Examination of incoming goods will take place with regards to obvious defects. Hidden defects will be notified as soon as they are detected according to the circumstances of the orderly course of business. You waive the objection of delayed notification for all defects notified to you within 14 days after detection.

10.2 If we return defective goods to you we shall be entitled to debit back to you the invoice amount paid plus a lump sum for expenses of 5% of the price of the defective goods. We reserve the right to proof higher expenses. Your right to proof lower or no expenses shall be reserved.

11. Warranty of defects of quality and title

11.1 Defective deliveries must be replaced immediately by deliveries that are free from defect, and faulty services must be repeated faultlessly. In the event of development or design engineering defects we shall be entitled to immediately assert the rights provided for under section 11.3.

11.2 You shall require our consent to repair defective goods or services. You shall bear the risk during the time in which the good or service to be delivered is not in our possession.

11.3 If you fail to remedy the defect within an additional reasonable period of grace that we have set we shall be entitled at our own discretion to rescind the contract or reduce remuneration and additionally in either case to demand compensation of damages.

11.4 In urgent cases (especially where operating safety is in jeopardy or for the purposes of preventing an exceptionally high damage or loss), for the removal of insignificant defects and in the event that you are in default of remedying a defect, we shall be entitled, after notifying you and after a reasonably short period of grace has expired, to remedy the defect and any resultant damage or loss ourselves or through third parties at your expense. This shall also apply if you deliver the good or service late and we have to remedy defects immediately so that we do not miss our own delivery deadlines.

11.5 The period of limitation for claims for defects of quality shall be 36 months as from the passage of risk in accordance with section 9.1; the period of limitation for defects of title shall be 10 years as from the passage of risk in accordance with section 9.1. The expiry of the period of limitation shall be suspended from the date of notification of defects until our claim for defects has been fulfilled.

11.6 If you have to deliver or perform in accordance with our plans, graphs or other specific demands, you expressly guarantee the conformity with our demands. If delivery or performance deviates from the demands we shall immediately have the rights under section 11.3.

11.7 Our statutory rights shall in any case be reserved.

12. Repeated default

If, after receipt of a warning letter, you are again late in supplying essentially identical or similar goods or services, or such goods or services are again defective, we shall immediately be entitled to rescind the contract. In this case we shall be entitled to rescind contracts with regards to future delivery of goods and services on basis of this or another contractual relationship, too.

13. Indemnification in the event of defects

You shall indemnify us against all claims raised against us by third parties –for whatever legal reason– due to a defect of quality or title or another defect of a product delivered by you and shall also reimburse our expenses necessary for the defense against the claims.

14. Technical documentation, tools, means of production

14.1 All technical documents, tools, in-house standard sheets, means of production, etc., that we provide shall remain our property; all trademark, copyright or other property rights shall remain with us. They, together with all duplicates that you may have been made, must automatically be returned to us as soon as the order has been executed. You shall not be entitled to assert a right of retention in this respect. You may only use the said



General Terms and Conditions of Purchase

objects to execute the order. You may not pass them on, or make them otherwise accessible, to unauthorized third parties. The said objects may only be duplicated in so far as it is necessary for the execution of the order.

14.2 In the event that you wholly or partly create the objects mentioned in sentence 1 of section 14.1 for us at our expense, section 14.1 shall apply accordingly. We shall own the objects on a pro rata basis according to our share of the costs of manufacture, and you shall keep these objects safe for us free of charge; we may, at any time, acquire your rights in respect of the object by compensating for expenses that have not yet been amortized and reclaim the object.

14.3 You are obliged to service and maintain the aforementioned objects as well as to mend defects caused by normal wear and tear at your expense. If you, in order to execute our order, subcontract the production of samples and tools to a third party you shall cede to us your claims for cession of property in those tools and samples against the subcontractor.

15. Provision of materials

15.1 Materials that we provide shall remain our property. You shall store them free of charge with due care and diligence. You shall keep them separate from your property and mark them as our property. They may only be used to implement our order.

15.2 In the event that you process or transform the materials provided, this shall be done for us. We shall become the direct owner of the resulting new objects. If the materials provided only constitute a part of the new objects we shall be entitled to ownership of the new objects on a pro rata basis according to the value of the materials provided and contained therein.

16. Confidentiality

16.1 You shall be obliged to handle confidential and not pass on to third parties all non-evident commercial and technical data that you become known to you through our business relationship.

16.2 Our prior written consent shall be required for the manufacture for third parties and exhibition of products manufactured specifically for us, especially those made according to our drawings and manufacturing specifications, for publications relating to ordered goods and services and for references to this order vis-à-vis third parties.

16.3 We point out that personal data in relation to our contractual relationship may be stored by us.

17. Miscellaneous

17.1 The place of performance shall be the given delivery address.

17.2 The place of jurisdiction, provided that you are a businessman, a legal person under public law or a special fund under public law, shall be the place of our business (Braunschweig). However, we may also take legal action against you at your place of business.

17.3 Governing law shall be the law of Germany with the exclusion of the international conflict of laws provisions thereof and with the exclusion of the United Nations Convention on Contracts for the International Sale of Goods (CISG).

17.4 Should any of the clauses of these General Terms and Conditions be wholly or partially invalid, the validity of the remaining clauses or parts thereof shall not be affected.