

## I. General

Our terms and conditions of purchase apply exclusively to all supplies and services of Supplier until the issuance of a follow up version. We do not recognize conflicting general business terms and conditions of the Supplier or Supplier terms and conditions differing from our terms and conditions of purchase unless we expressly agree with their validity in writing. Our terms and conditions of purchase also apply if we accept or pay for deliveries of products and services of the Supplier in the knowledge of conflicting Supplier terms and conditions or Supplier terms and conditions differing from our terms and conditions of purchase.

## II. Orders

1. Supply contracts (order and acceptance) and calls for delivery as well as any changes and amendments thereof must be made in writing. Calls for delivery may also be made by remote data transmission.
2. We shall be entitled to cancel the order as long as the Supplier has not accepted it. Order releases become binding if the Supplier does not object within 5 days after receiving the order.
3. We may require changes to the delivery items regarding design and version to the extent reasonably acceptable by the Supplier. The effects of such changes, especially with regard to cost increases or reductions as well as delivery dates, shall be settled appropriately by mutual agreement.

## III. Prices

Unless otherwise agreed upon, the prices are "Delivered Duty Paid" (Incoterms 2000). Prices include the cost of packaging or protection required under normal transport conditions to prevent damage, and shall also include VAT.

## IV. Terms of Payment

Payment shall be made in the manner and at the time or times agreed by the parties. If not agreed upon otherwise payment of the delivery shall be made within fourteen days after delivery and receipt of invoice with a 2% discount or within thirty days net.

## V. Delivery, Delivery Date, Contractual Penalty

1. Deliveries deviating from the specifications agreed upon in our contracts and orders require our prior written approval.
2. Partial deliveries are precluded as a rule, unless we expressly agreed to them or they are reasonable.
3. Agreed-upon deadlines and time periods are binding and must be strictly observed. The receipt of the goods by us is the determining factor for having met the date of delivery or the period of delivery. Unless "Delivered Duty Unpaid" or "Delivered Duty Paid" (Incoterms 2000) is agreed upon, the Supplier shall make the goods available in a timely fashion by taking into account the time for loading and shipping to be agreed upon with the forwarder.
4. As soon as the Supplier is able to identify that he will be unable to fulfil its contractual obligations either in whole or in part or by the deadline, the Supplier must inform the buyer immediately, stating the reasons and the anticipated length of the delay.
5. If the Supplier is in default, we are entitled to withdraw from the agreement regardless of any further legal claims for damages following an appropriate grace period, to procure replacements, and to require damages from the Supplier instead of the product or service.
6. In case of delivery delay, we are also entitled to demand a fixed contractual penalty amounting to 0.5 % of the delivery value per started calendar week, however, not more than a maximum of 5 % of the value of goods. A contractual penalty due is credited against an asserted damage claim based on default.

7. The unconditional acceptance of a delayed delivery or service does not constitute a waiver of claims to which we are entitled due to the delayed delivery or service; this applies until the complete payment of amounts owed by us for the delivery or service in question.

### VI. Force Majeure

Acts of God, labour disputes, operational disruptions not due to our fault, unrest, government measures and other unavoidable events entitle us – notwithstanding our other rights – to withdraw from the contract in whole or in part, as long as they are not of inconsiderable duration and result in a substantial reduction of our procurement need.

### VII. Packaging

1. The Supplier is responsible for orderly packaging according to the requirements set out in the agreement. If no such requirements exist, the packaging must be in conformity with the relevant regulations and usual standards.
2. The Supplier is liable for damages to the object of agreement based on improper packaging.

### VIII. Warranty, Liability and Defect Notification, Breach of Duty

1. The Supplier shall warrant that the delivery item does not contain any defects that impair its value or its usability, has the agreed or guaranteed quality, is suitable for the use stipulated in the agreement, and complies all respectively valid applicable laws, the latest technology, the relevant statutes, the most recent regulations issued by the authorities, the applicable technical safety requirements and occupational safety and accident prevention regulations, as well as the usual and technical quality assurance standards, in particular -but without limitation-
  - the Directive 2011/65/EU of the Restriction of the use of certain Hazardous Substances in Electrical and Electronic Equipment (RoHS2),
  - the Directive 2012/19/EU on Waste Electrical and Electronic Equipment (WEEE),
  - the Directive 1907/2006 Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH)
  - the Directive 850/2004 Persistent organic pollutants (POPs)
  - the declaration 2006/122/EG Perfluorooctane Sulfonates (PFOS)
  - the VDE and VDI Directives, CE; EN; DIN standards,
  - the *ElektroG* (German Electrical and Electronic Equipment Act),
  - the *Gesetz über die elektromagnetische Verträglichkeit von Geräten* (German Electromagnetic Compatibility Act),
  - the *Geräte-und Produktsicherheitsgesetz* (German Equipment and Product Safety Act)
2. If the delivery item does not meet these requirements we can elect to request correction of the defect or delivery of defect-free goods, withdraw from the agreement in accordance with the legal regulations, or reduce the purchase price, claim compensatory damages, or claim reimbursement of unnecessary expenses.
3. If the Supplier has provided a warranty for the quality or durability of the delivery item, we can also assert claims arising from the warranty.
4. We shall inform the Supplier of defects in the delivery item without delay as soon as such defects are identified in accordance with the practices of proper business process. The receiving inspection in our company is regularly restricted to checking identity and quantity, as well as to checking obvious transport damages. To this extent the Supplier waives the objection to a delayed notification of defects. The Supplier's warranty obligation shall not be affected by our acceptance of the deliveries and services.
5. The statute of limitations for our claims and rights with respect to defects in performance – regardless of the legal grounds – is 36 months. This period also applies to the extent that the claims are not related to a

defect. Longer statutory statutes of limitations shall remain unaffected, along with the regulations concerning the start date, suspension or interruption, and the restart date of the limitation period.

6. The parts rejected based on the warranty shall remain our property and under our disposal until they are replaced, and shall become the property of the Supplier upon replacement.

### IX. Product Liability and Recall

In the event a product liability claim is asserted against us, the Supplier agrees to hold us harmless from such claims if and to the extent the damage was caused by a defect of the supplies or services. However, in cases of liability based on fault, this only applies if the Supplier is at fault. If the cause of the damage falls within the area of responsibility of the Supplier, the Supplier shall have the burden of proof to that extent. In the above cases the Supplier assumes all costs and expenses, including the costs for any legal action or a recall campaign. In addition the legal stipulations shall apply.

### X. Custody, Property, Tooling

1. Material provided by us will remain our property. As such, it is to be stored separately and must only be used for our orders. The Supplier will be liable for reductions in value or loss, even without fault. Materials shall be processed and parts assembled on our behalf. We become co-owners of products manufactured using our materials and parts in proportion of the value of the material and parts we have provided to the value of the total product. The Supplier shall take the necessary steps to safeguard our property right. If the materials or parts provided by us should be inseparably intermixed with other goods not pertaining to us, we shall acquire co-ownership of the newly-manufactured product in proportion of the value of what we provided to the total value of the intermixed goods at the time they were intermixed. Should they be intermixed in such a way that the Supplier's goods are to be regarded as the main goods, it is agreed that the Supplier assigns to us pro rata co-ownership; the Supplier shall preserve the sole ownership or co ownership for us free of charge by taking appropriate measures.
2. The Supplier shall store the tools that we own and provide to the Supplier with care. Our property is to be made recognizable on the objects themselves and in the account books of the Supplier. After termination of the business relationship, the Supplier must release the tools immediately to us upon request.

### XI. Samples, Drawings, Business Secrets

1. The Supplier undertakes to treat all samples, drawings, documents of all kinds that we provide to the Supplier as business secrets. They may not be made accessible to third parties.
2. The Supplier shall not duplicate the documents, shall handle and store the documents and samples with care and return them to us completely and immediately after completion.

### XII. Place of Performance

The place of performance is the place to which the goods are to be delivered in accordance with the contract.

### XIII. Miscellaneous

1. If one provision of these terms and conditions and of additional agreements should be or become ineffective, this will not affect the validity of the terms and conditions in other respects. The parties shall agree upon a provision to replace the ineffective provision that reflects as closely as possible the economic intent of the previous provision.
2. This Agreement is exclusively subject to the Law of the Federal Republic of Germany. The United Nations Convention on Contracts for the International Sale of Goods (UN Sales Convention; CISG) is excluded.
3. If the Supplier is a registered trader, a legal entity in the sense of public law or a separate estate under public law, an action is to be brought at the district court (Amtsgericht) Leutkirch or at the regional court (Landgericht) Ravensburg in the case of all disputes arising from this contractual relationship. We are also entitled to file action against the Supplier at our own option at the Supplier's headquarters, branch or at the place of performance.

***The English version of these terms and conditions of purchase shall be for convenience purposes only. In case of any inconsistencies, the German version shall prevail.***

June 2017

EKL AG  
Nadlerstr. 8-10  
D-88299 Leutkirch