

General Conditions of Purchase for Deliveries and Services of the BARTEC Group, Including all BARTEC Companies

Section 1: Scope

- (1) All deliveries, services and quotations of our suppliers (contractors) shall be performed solely on the basis of these General Conditions of Purchase. Said conditions shall be part of all contracts BARTEC (principal) concludes with its suppliers in relation to the deliveries and services offered by them. They shall also apply to all future deliveries, services and quotations for the principal (BARTEC), even if they are not agreed again separately.
- (2) General standard terms and conditions of the contractors or third parties shall not apply, even if BARTEC does not separately object to their applicability in an individual case. Reference to a letter of the contractor containing the general standard terms and conditions does not imply any consent to the applicability of those general standard terms and conditions. If delivery is taken of goods or goods are paid for, this shall not constitute a declaration of consent to the general standard terms and conditions of the contractor (supplier).

Section 2: Orders

- (1) Quotations and cost estimates shall be prepared for the principal free of charge.
- (2) The principal shall only be bound by written orders. The contractor shall give written confirmation of the order within 7 days. The time at which the principal receives the contractor's declaration of acceptance of the order shall be authoritative for determining whether the order has been accepted in time. If the contractor does not accept the order within the deadline, the principal shall not be bound by the order.

Section 3: Prices and terms of payment

- (1) The price stated in the order shall be binding. This price shall include delivery free domicile (DDP Incoterms 2000) and packaging.
- (2) Statutory value-added tax is not included in the price.
- (3) Invoices can be processed only if they contain all important information that enables clear assignment, among other things the order number stated in the order. The contractor shall be responsible for all consequences arising from failure to observe this obligation, unless it proves that it was not to blame therefor.
- (4) Payment shall be made in net within 60 days and with a 3% cash discount within 30 days. If delivery of goods is taken earlier, the due date shall be defined by the agreed delivery date.
- (5) The goods shall be delivered in suitable packaging for the product, in accordance with the pertinent regulations on environmental protection. The contractor shall take back disposable packaging at its expense. If reusable packaging is used, the contractor shall provide the packaging on loan. It shall be returned at the contractor's risk and expense.
- (6) BARTEC shall be entitled to rights of set-off and retention to the statutory scope.

Section 4: Delivery time – delay, delivery and passage of risk

- (1) The delivery time specified in the order shall be binding. Deliveries before that time shall not be permissible. If the principal accepts goods that are delivered before that time, it shall be authorised to charge the contractor a reasonable storage fee.
- (2) In the case of delay in delivery, the principal shall be entitled to the statutory claims without restriction, including the right of cancellation and entitlement to claim damages in lieu of performance. BARTEC shall be authorised to demand damages and cancellation in particular if a reasonable period of grace has expired without result. In this regard, BARTEC shall in particular be entitled to restitution of additional costs due to its need to buy in the goods elsewhere, for example for express deliveries by air transport, etc.
- (3) The principal shall also be authorised in the event of delay in delivery, and after prior written warning to the contractor, to demand a contract penalty of 0.5 %, but up to a maximum of 5 %, of the value of the order in question for each commenced week of the delay in delivery. The contract penalty shall be set off against the damages for delay to be paid by the contractor.
- (4) In accordance with the DDP terms of delivery stated in Section 3, risk shall not pass to BARTEC until the goods have been delivered to BARTEC.
- (5) Goods shall be delivered on working days only between 8:00 a.m. and 4:00 p.m. and on Fridays between 8:00 a.m. and 12:00 a.m.
- (6) The contractor shall be obliged to take out insurance against damage in transit. Where required, the contractor shall assign its claims from the transport insurance to the principal.

Section 5: Warranty

- (1) The contractor warrants to the principal that the goods or services have the qualities that the principal has stated in its order as being the basis on which the order is granted. If these qualities are lacking, the contractor shall be obliged to pay the principal damages for non-performance. This shall also apply to units of measure that the principal has indicated as guaranteed in its order drawings.
- (2) The contractor pledges that it will conduct the necessary intermediate and final inspections during production and will subject parts obtained from its suppliers to an extensive inspection upon receipt.
- (3) If the contractor fails to abide by these pledges, it shall be obliged to pay the principal damages, regardless of who is at fault.
- (4) The contractor warrants to the principal that it will observe the rights of third parties, in particular proprietary rights.
- (5) The contractor shall be obliged to indemnify the principal against all claims raised by third parties against the principal due to the infringement of industrial property rights and to reimburse it for necessary expenses incurred in this connection. The principal shall be entitled to the above regardless of whether the contractor is at fault.

Section 6: Reservation of ownership

- (1) Any reservation of ownership by the contractor shall apply only if it relates to the payment obligations of the principal for the products to which the contractor reserves ownership. In particular, wider or extended reservations of ownership shall not be permitted.
- (2) Tools, samples, drawings and other aids that are created to carry out orders and are charged separately by the supplier shall become the property of BARTEC at the time they are created. Instead of handing them over, the contractor shall keep them in safe custody for BARTEC and free of charge. They shall be used solely for carrying out orders placed by BARTEC and shall be handed over to BARTEC free of charge and immediately upon request when the contract is completed or in the event of delivery difficulties. The contractor shall indicate the said objects clearly as being the property of BARTEC and point out that they are owned by BARTEC to third parties who wish to establish claims to them. The contractor shall inform BARTEC immediately of any such event. Costs of intervention shall be borne by the contractor. The contractor shall be obliged to care and maintain the said objects and remedy normal wear and tear on them. The cost of this is discharged by the purchase price for the objects. If the contractor commissions a subcontractor with creating tools and samples as part of carrying out BARTEC orders, the contractor shall assign to BARTEC its claims against the subcontractor for transfer of ownership of the tools and samples.
- (3) Drafts produced and samples developed by the contractor for BARTEC – irrespective of their nature – shall become the property of BARTEC along with all rights.

Section 7: Warranty claims

- (1) The principal shall be entitled without restriction to the statutory claims if goods are defective. The period of limitation for defects under contracts of purchase shall be 36 months. Longer contractual or statutory periods of limitation shall remain unaffected thereby.
- (2) Notice of defects shall be regarded as having been given in time by the principal if the principal reports them to the contractor within 14 working days of receipt of the goods by the principal. Notice of hidden defects shall be regarded as having been given in time if they are reported to the contractor as soon as they are discovered.
- (3) In the case of large deliveries, inspection on the basis of random sampling shall be deemed a sufficient and proper examination by the principal. If the random sampling reveals that the delivery is faulty, the principal shall be authorised at its discretion to
 - subsequently check the entire delivery at the expense of the contractoror
 - assert the warranty claims for the entire delivery (substitute delivery, reworking, reduction in price, withdrawal from the contract, damages due to non-performance, etc.).Any further warranty claims and claims for damages by BARTECs – including for consequential damage – shall not be affected thereby.
- (4) Payment of the goods shall not constitute any approval that the goods comply with the contract and are free of defects.

Section 8: Safeguarding of ownership

- (1) The principal shall retain ownership of and its proprietary rights to orders issued and drawings, figures, calculations, descriptions and other documents provided by the principal to the contractor. Unless with the express consent of the principal, the contractor shall not give third parties access to them, disclose them to third parties, use them itself or through third parties or copy them. This shall not include copies that are indispensable for carrying out the order.

All documents shall be returned immediately upon request by BARTEC.

Section 9: Product liability

- (1) The contractor shall be responsible for all claims asserted by third parties due to personal injury or damage to property that is attributable to a faulty product it has supplied. The contractor shall be obliged to indemnify the principal from any resulting liability. If the principal is obliged to carry out a recall action due to a fault in a product supplied by the contractor, the contractor shall bear all costs connected with it.
- (2) The contractor shall be obliged to maintain product liability insurance at its own expense, with coverage of at least EUR 2.5 million. This insurance shall be maintained for the term of the contract and all periods of limitation.

Section 10: Deliverables from BARTEC

- (1) The contractor undertakes to use any down-payments or supplies made by BARTEC (deliverables) solely for carrying out the orders. The contractor shall keep the deliverables separately in safe custody and indicate that BARTEC owns them on the deliverables themselves and in its business books. It is agreed the goods that have been produced pursuant to orders by BARTEC and for which BARTEC has provided a down-payment or deliverable shall become the property of BARTEC. Instead of transfer of possession, the contractor shall keep the goods in safe custody and free of charge for BARTEC with the care expected of a responsible businessperson. To this end, the contractor shall keep the produced goods separately from other stocks and indicate that BARTEC owns them on the goods themselves and in its business books. The contractor shall provide BARTEC with written confirmation of this. Moreover, BARTEC shall be authorised at any time to satisfy itself on-site that the goods or deliverables are being kept separately and are properly indicated as its property. If a deliverable is processed by BARTEC and a new object created as a result, the contractor shall not acquire ownership of it. Any processing shall be carried out by the contractor on behalf of BARTEC. If the contractor acquires co-ownership as a result of combining or mixing the goods, it shall assign its share of co-ownership to BARTEC.

Instead of transfer of possession, the contractor shall keep the goods in safe custody and free of charge for BARTEC. The contractor shall report any seizure by third parties of the goods that belong to BARTEC immediately to BARTEC and assist BARTEC in all ways in its intervention measures, the cost of which shall be borne by the contractor. This duty to inform BARTEC shall also apply if court composition or insolvency proceedings are instigated. The contractor shall not have any right of retention.

- (2) If the object provided by BARTEC as a deliverable is inseparably mixed with other objects that do not belong to BARTEC, BARTEC shall acquire co-ownership of the new object to the ratio of the value of the object subject to reservation of ownership (purchase price plus value-added tax) to the other mixed objects at the time they were mixed. If mixing is carried out in such a way that the object of the contractor can be regarded as the main object, it is agreed that the contractor shall assign co-ownership to BARTEC on a pro-rata basis; the contractor shall keep the solely owned or co-owned object in safe custody for BARTEC.

Section 11: Confidentiality

- (1) The contractor shall be obliged to maintain strictest confidentiality towards third parties on company matters of which it gains knowledge in carrying out the order and on the results created by it in the broadest sense, in particular data, regulations, samples, drawings and designs. This obligation to maintain confidentiality shall also apply after the completion and end of the contract; it shall expire if and insofar as the production know-how contained in the provided figures, drawings, calculations and other documents has become public domain.
- (2) The name of the contractor or producer or its company logo can be specified on printed matter, drafts, etc. only with the express written consent of BARTEC. Such consent shall only apply to the specific case for which it is granted.
- (3) Orders by BARTEC shall not be used for advertising purposes.

Section 12: Place of performance, place of jurisdiction, applicable law

- (1) The place of performance for all contracts shall be the BARTEC company that has placed the order with the contractor or the location which is named in purchase order.
- (2) The sole place of jurisdiction for both parties is, at the discretion of the principal, the place of the headquarters or the branch office of the principal.
- (3) The contracts concluded between the principal and the contractor shall be subject solely to the law of the Federal Republic of Germany.