

1. Area of application

The following general conditions of purchase (GCPs) shall exclusively apply to our orders – including future ones – insofar as nothing else has been agreed in writing. Any general terms and conditions of business of the supplier conflicting with or deviating from these GCPs shall not be accepted, unless männer has agreed to the general terms and conditions of business in writing in the individual case. These GCPs shall also apply when männer accepts deliveries or provisions of goods or services under general terms and conditions of business of the supplier conflicting with or deviating from these GCPs. These GCPs shall only apply with respect to business people and corporate entities.

2. Conclusion of the contract

- 2.1. Only orders and agreements which are issued in writing shall be binding. In particular, our employees undertake to confirm in writing oral agreements or acceptances, which go beyond the contents of the written contract or alter these GCPs to our disadvantage.
- 2.2. The supplier must immediately confirm the order in writing. If we do not receive the order confirmation within 10 days of the order date, we are entitled to cancel the order, without the supplier being able to assert any claims.

3. Delivery and delay in delivery

- 3.1. Agreed dates and timescales are binding. The arrival of the goods with us or with the recipient designated by us shall be the determining factor for compliance with the delivery date. If DAP Bahlingen or DAT Bahlingen Incoterms® 2010 delivery is not agreed and if we have declared ourselves ready to take over the transport of the goods, the supplier must make the goods available punctually, taking into consideration the time to be jointly agreed with the haulier for loading and shipment.
- 3.2. Every delivery must be accompanied by delivery notes indicating our order number, our order reference, the type of packaging and the quantity and weight of the delivery.
- 3.3. Separate invoices shall be raised for each order in duplicate and sent to our address after delivery is made; they may not accompany the delivery.
- 3.4. Until the delivery and the shipping papers arrive with us, the supplier has not fulfilled his delivery obligations. During this time, we shall be entitled to store the delivery at the risk and cost of the supplier.
- 3.5. Agreed delivery dates are binding. The arrival of the goods at the place of destination shall determine compliance with the delivery date.
- 3.6. As soon as the supplier becomes aware that delivery and/or provision of goods or services (hereinafter referred to as delivery) on the due date is not possible for him, either in part or in full, he must inform us of this immediately, but at the latest after 3 working days, with an indication of the reasons and the foreseeable length of the delay.
- 3.7. Partial deliveries shall only be permissible when we have agreed to them in writing.
- 3.8. Force majeure, labour disputes, operational disruptions which are not the supplier's fault, riots, official measures and other unavoidable events in männer's area shall entitle männer – without prejudice to other rights – to withdraw completely or in part from the contract, insofar as they are not of an insignificant duration or only lead to an insignificant reduction of männer's needs.
- 3.9. In the event of delayed delivery, we shall be entitled to demand 0.25% of the agreed total price of the delivery for each day's delay, but a maximum of 10% overall, as a contractual penalty. This contractual penalty can be claimed up until the final payment. Further legal rights shall remain unaffected. The supplier has the right to prove there has been less damage than the contractual penalty

4. Duties to inform

- 4.1. Before making changes to manufacturing processes, materials or vendor parts for the products, relocation of manufacturing sites, along with modifications of processes and facilities for testing the products or quality assurance measures, the supplier shall inform us in good time, so that we can check whether the change could have a detrimental effect on the provision of goods or services.
- 4.2. Before changing subcontractors or starting to work with a new one, our consent shall be required. This subcontractor shall have obligations in accordance with these GCPs.
- 4.3. If detrimental effects cannot be ruled out, the supplier shall ensure that we are supplied with unchanged parts until we have found an alternative solution.

5. Prices and payment

- 5.1. The prices agreed in the order shall be binding and shall include packaging, customs duties and free delivery to the place of destination.
- 5.2. Unless individual contractual agreements have been made in writing which state otherwise, payment for the delivered goods shall be made on the 20th of the month following receipt of invoice and the delivery with 3% discount or within 60 days net.
- 5.3. Payment shall be made subject to the checking of the invoice. If goods delivered should be defective, we shall be entitled to exercise a right of retention. Payments shall not mean any acknowledgement of fulfilment or waiver of counterclaims. This shall also apply to the delivery receipt.

6. Transfer of risk

The risk shall be transferred with the handover of the goods to us or to the recipient designated by us.

7. Packaging

The goods shall be packaged in a standard commercial way or shall be provided with a special packaging according to our instructions. Where the packaging is not of a standard commercial type, we shall be entitled to dispatch these to the shipper carriage paid and to debit the supplier with 0.33% of the calculated value of the goods for this.

8. Claims for defects and recourse

- 8.1. The statute of limitations for claims for defects shall be 36 months as from acceptance with contracts for work and labour; with sales contracts 36 months after handover.
- 8.2. The supplier shall guarantee that, on handover to us or to our customers, the delivery item is free from any defects in title or from material defects and complies with state-of-the-art technology, the relevant legal, safety and accident prevention regulations and customary and technical quality assurance standards. If the delivery item does not fulfil these requirements, the supplier must inform us about this in every individual case with an indication of the reasons before starting the shipment.
- 8.3. If the supplier has any doubts about the type of implementation we wish to have, then he must immediately inform us about this in writing.
- 8.4. The goods shall be received subject to investigation, especially in terms of freedom from defects and completeness. The investigation shall be carried out using the delivery note and shall be restricted to determining obvious defects. There is no further obligation to check. We shall notify any defects or other discrepancies to the supplier within an appropriate time period. In this respect, the supplier shall waive the objection of late notification of defects.
- 8.5. Where there are defects, we can either demand rectification

or also an additional delivery of the defective goods, at our discretion. After an appropriate period of time has elapsed without any proper response or – insofar as it is no longer possible to make an extension of time due to the urgency – after notifying the supplier, we shall be entitled to undertake the rectification of defects ourselves, to have them rectified by third parties or to procure replacement in another way at the supplier's cost.

- 8.6. The supplier has to bear all the expenses necessary in connection with the rectification of defects or replacement delivery to the respective place of use of the goods. We shall inform the supplier of the place of use on request.
- 8.7. For parts of the delivery which are mended or repaired within the statute of limitations, the statute of limitations of figure 9.1 for these parts shall begin to run again, unless this involved a significant effort in terms of supplementary performance or an express act of goodwill by the supplier.

9. Product liability

- 9.1. To cover the general liability risk, the supplier shall undertake to take out a third party liability insurance with a coverage of 5 million euros and to provide us with evidence of its existence.
- 9.2. If a claim is made against us due to product liability, then the supplier must release us from any claims of this type, insofar as and to the extent that the damages have been caused by a defect of the contractual item delivered by the supplier. In cases of liability dependent on fault, this shall however only apply where the supplier is at fault.
- 9.3. Insofar as the cause of damage comes within the area of responsibility of the supplier, proof of the causation of the defect for the damage is sufficient; besides the burden of proof is on the supplier.
- 9.4. Claims for compensation against us – of whatever kind they may be – shall be excluded, when we, our legal representatives or vicarious agents have caused the damage through ordinary negligence.
- 9.5. The supplier is obliged to identify the use of „conflict minerals“ (tin, gold, tantalum, tungsten) in his supply chain and to ensure, by means of appropriate measures, that materials and components delivered to männer do not contain any conflict minerals in accordance with Section 1502 of the U.S. Federal Law “Dodd–Frank Act”.
- 9.6. The supplier undertakes to comply with European Union Regulation; in particular: 2002/95/EG (RoHS), 2011/65/EU (RoHS II), 1907/2006 (REACH).

10. Industrial property rights

- 10.1. The supplier guarantees that there is no infringement of industrial property rights, especially patents or utility patents, by using the delivered goods. He must release us from any kind of claims by third parties in this respect.
- 10.2. The supplier shall be liable for every indirect or direct harm which arises for us from an infringement of such rights. This shall not apply, insofar as the supplier manufactures goods exclusively according to our drawings and/or models.

11. Retention of title, tools, manufacturing resources and energy

- 11.1. Tools or other manufacturing materials made on our account and paid for by us shall be transferred to our ownership on completion of payment. Transfer of ownership shall be substituted, by the supplier storing these items for us free of charge with the degree of care that can be expected of a reputable trader. The supplier shall store the items owned by us separately.
- 11.2. With the award of contracts for work and labour and/or contracts for services of any kind (e.g. research and development contracts), we shall be exclusively and fully entitled to the

results of the work, along with the intellectual property rights arising from this. We shall have the exclusive right to decide whether an application is made for industrial property rights. If copyrights arise, the supplier shall grant us exclusive rights of use which are unrestricted geographically and in terms of time.

- 11.3. Products which are made according to documents created by us, according to our confidential information or with our tools, may not either be used by the supplier himself or made accessible to third parties.
- 11.4. The procurement is partly evaluated on the basis of energy performance when procuring services, products and equipment that have an impact on significant energy use.

12. Non-disclosure

- 12.1. The supplier undertakes to keep strictly confidential all information arising from the cooperative work, insofar as it is not generally known, was legitimately acquired from third parties or was gathered independently by third parties, and to use it exclusively for the purposes of the contract. The protected information shall in particular include technical data, procurement quantities, prices and information about products and product developments, about current and future research and development projects.
- 12.2. Including our company in a list of references or using our order for advertising purposes shall only be permitted after prior written consent.
- 12.3. Documents, along with items of all kinds, such as samples, drawings, tools, models, etc., which we make available to the supplier, are to be sent back to us free of charge within a period of fourteen working days, without any need for a request on our part, once the cooperative work comes to an end or on completion of the project.
- 12.4. The supplier undertakes to pay a contractual penalty to the amount of 30% of the value of the order where there is/are violation(s) of this non-disclosure obligation.

13. Final provisions

- 13.1. The place of performance for all deliveries and provisions of goods and services shall be Bahlingen am Kaiserstuhl, unless agreed otherwise.
- 13.2. The place of jurisdiction shall be the competent court at our registered office. männer reserves the right to bring an action at any other permissible place of jurisdiction.
- 13.3. German law shall exclusively apply, excluding the conflict of laws and the United Nations Convention on Contracts for the International Sale of Goods (CISG / UN Convention on the International Sale of Goods).
- 13.4. Should individual parts of these conditions of purchase be or become ineffective, the effectiveness of the other provisions shall not be affected by this. The ineffective provision – insofar as this does not involve General Conditions of Purchase – shall be replaced by a provision which comes closest to the ineffective one in terms of its commercial content. The same shall apply in the event of an omission.

Bahlingen, September 2015

Otto Männer GmbH