

Procurement Terms and Conditions Helmut Hund GmbH

§ 1 Applicability of the Terms

(1) The contractual relationship between the supplier and Helmut Hund GmbH for all product orders and procured services of any kind by Helmut Hund GmbH (hereinafter referred to as „Purchaser“) is governed exclusively by the following Procurement Terms and Conditions. Contractors, service providers and other contracting parties are hereinafter referred to as Supplier. Any terms of the Supplier conflicting with or deviating from these Procurement Terms and Conditions are not recognized by the Purchaser, unless the Purchaser agrees expressly to the applicability of such terms in written form.

(2) These Procurement Terms and Conditions of the Purchaser apply to all future business dealings with the Supplier. Explicit reconfirmation of the Procurement Terms and Conditions is not required.

The Supplier recognizes these terms through the performance of the order.

(3) Orders and agreements are only valid if and to the extent they are issued in writing or confirmed in writing by the Purchaser. Verbal supplements to any agreement require written confirmation to be effective. Provided express agreement between the Purchaser and the Supplier exists, electronic data transfer suffices to comply with the written form requirement.

(4) The Procurement Terms and Conditions of the Purchaser also apply in the event that the Purchaser accepts delivery or service of the Supplier without reservation and having knowledge of such Supplier's terms, which conflict with or deviate from the Purchaser's procurement terms.

§ 2 Order and Order Confirmation

(1) Supporting materials, reports, ideas, drafts, models, designs, samples, drawings, part geometry as well as work specifications and any other information of the Purchaser attached to the orders represent an essential component of the orders. The Supplier will provide the required supporting documents with the delivery according to the specifications of the Purchaser. On the Purchaser's demand, the Supplier will provide for all information and data pertaining to the composition of the delivery item to the extent such information and data is required for the compliance with official regulations and instructions and the compliance with relevant statutory provisions applicable for the delivery location.

(2) The Purchaser may cancel the order if the Supplier did not accept such order in writing within two weeks upon receipt (order confirmation).

(3) In the event the order confirmation or the offer deviates from the order the Purchaser is only bound if the Purchaser agreed to such deviation in writing. The Purchaser's acceptance of deliveries or services as well as payments by the Purchaser may not be construed as consent by the Purchaser. The Supplier is obligated to expressly notify the Purchaser of any deviations from the order.

(4) The Supplier is obligated to collect all information required for the performance of the order, such as drawings, IT systems and programs that are to be utilized before taking up works.

(5) Subcontracting of orders to third parties is inadmissible without the written consent of the Purchaser. In such event the Purchaser may, in full or in part, rescind from the agreement and demand compensation for losses suffered. If the Purchaser agrees to such subcontracting the third party is deemed to be the vicarious agent of the Supplier. Modifications and supplements to the order require the Purchaser's written confirmation to be effective.

(6) Short or additional deliveries as well as partial deliveries are only admissible with the Purchaser's written consent.

§ 3 Prices

(1) The price shown on the order is binding. The agreed prices plus applicable statutory Value Added Tax apply.

(2) Unless otherwise agreed in writing the price includes "free delivery". Transportation, shipping and packaging costs, insurances, customs duties, taxes etc. are borne by the Supplier. The return of packaging materials requires a separate agreement.

(3) In the event pricing is ex works or ex warehouse from the Supplier shipping is to be effected at the lowest possible costs unless the Purchaser demanded a specific mode of transportation. Additional expenses due to non-compliance with shipping instructions are borne by the Supplier.

§ 4 Delivery Period

(1) The delivery period indicated on the order is binding and begins upon the date of the order unless a fixed date was agreed upon.

(2) The Supplier is obligated to notify the Purchaser in writing without undue delay by stating the reasons and the estimated duration of the delay in the event circumstances occur or become recognizable for the Supplier with the consequence that the Supplier may not be able to fulfill his contractual obligations in full or in part. In the event the Supplier fails to notify the Purchaser, the Supplier may not claim relief by reason of such impediment vis-à-vis the Purchaser.

(3) In the event the Supplier does not meet the agreed delivery period, the Purchaser is entitled to charge a lump sum for damage caused by default in the amount of 1% of the outstanding delivery value for each week or part thereof. The charged amount may not exceed 5% of the order value. The Purchaser reserves the right to assert higher damages and the Supplier reserves the right to furnish proof of lower damages. Additional statutory claims remain unaffected.

§ 5 Passing of Risk

The risk passes upon free delivery at the Purchaser's location unless otherwise agreed in writing. In the event deliveries

include installation or assembly works the risk passes upon the Purchaser's acceptance. In the event deliveries do not include installation or assembly works the risk passes upon receipt at the receiving location as indicated by the Purchaser.

§ 6 Inspection of Defects and Warranty

(1) The Supplier warrants that the Supplier's deliveries and services are accurate regarding agreed quantity and quality and that such deliveries and services conform to the assumed warranty and the recognized standards of technology.

(2) The Supplier warrants that all deliveries and services conform to the latest standards of technology and comply with the relevant statutory provisions. In the event deviations from such regulations and provisions are required in individual cases, the Supplier is obligated to obtain the Purchaser's written consent regarding such deviations. In addition, the Supplier warrants the utilization of environment friendly products and methods for the Supplier's deliveries and services within the scope of economical and technological options and restrictions. In addition, the Supplier warrants the compatibility with the environment for the delivered products and packaging materials.

(3) In addition, the Supplier warrants that the Supplier's deliveries and services are in compliance with the specifications of the RoHS-Directive (EU) and the PFOS-Directive (EU). The directives of the European Union apply as amended at the point in time of the delivery or service.

(4) The Supplier is always liable for intent and any kind of negligence.

(5) The Purchaser's warranty claims regarding deliveries and services become statute-barred after the lapse of five years if such deliveries and services are provided as fixtures in buildings. Otherwise the statute of limitations is three years. The statute of limitations begins with the passing of the risk.

In derogation of the foregoing, the warranty period commences with the acceptance by the principal of the complete work if the Supplier's service comprises only a part of the complete work of the Purchaser and the contractually agreed quality and condition of the Supplier's service cannot be assessed isolated from the complete work. Otherwise the warranty period for services sub-contracted by the Supplier commences with the acceptance of the complete work of the Purchaser by the principal of the complete work, however at the latest 6 weeks after completion of the Supplier's services.

(6) The statutory provisions (Sections 377, 381 HGB) [German Commercial Code] apply for the Purchaser's commercial obligation to inspect and to give notice of defects, subject to the following conditions: The Purchaser's obligation to inspect is restricted to apparent defects which can be visually identified, including shipping documents as well as the Purchaser's quality inspection by random samples (for example transport damages, wrong and short delivery). The obligation to inspect does not apply if acceptance is agreed for the delivery. Otherwise it must be considered to which extent an inspection is advisable and feasible in the normal course of business taking the circumstances of the individual case into account.

The obligation to give notice of defects discovered at a later point in time remains unaffected. A complaint (notice of defects) of the Purchaser is considered to be prompt and timely in any event, if the complaint is serviced to the Supplier within a period of 14 days.

(7) In the event the packaging is damaged, the Purchaser is entitled to refuse the acceptance without any inspection of the product and return the delivery to the Supplier. The Supplier bears the costs and the risk of the returned shipment. In derogation of §5, the risk does not pass to the Purchaser.

(8) In the event defects are identified within six months upon delivery it is assumed that the defects already existed at the point in time of the passing of the risk unless the Supplier can disprove this assumption.

(9) The Purchaser is entitled to the statutory warranty claims as well as to any damage claims without any restriction.

(10) Upon assertion of rights of recourse by the Purchaser the Supplier is obligated to notify the Supplier's upstream suppliers without undue delay and to assign with regard to fulfillment such rights of recourse to the Purchaser. In addition the Supplier is obligated to notify the Supplier's upstream supplier regarding such assignment without undue delay. Independent of the foregoing provisions the Purchaser's obligation vis-à-vis the Purchaser remains in effect.

(11) The statutory provision (Sections 478, 479 BGB) [German Civil Code] apply to the Purchaser's rights of recourse due to defective goods subject to the proviso that the Purchaser is entitled to rights of recourse even in the case, that the purchase is not a consumer goods purchase. In addition, the Purchaser's rights of recourse, in derogation of Section 479 Article 2 BGB [German Civil Code], become statute-barred at the earliest six months after the point in time the Purchaser met the claims of the Purchaser's customer.

§ 7 Product Liability and Indemnity

(1) If and to the extent the Supplier is responsible for damages to the product at the Purchaser or any third party, the Supplier is obligated to compensate the Purchaser or any third party for the damages and or to indemnify the Purchaser upon first demand from any damage claims of any third parties to the extent, that the cause of the damage originates from within the Supplier's sphere of control.

(2) Within the scope of the foregoing liability for damage occurrences the Supplier is also obligated to compensate for contingent expenses pursuant to Sections 683, 670 BGB [German Civil Code] or pursuant to Sections 830, 840, 426 BGB [German Civil Code], which arise from or in connection with a recall carried out by the Purchaser. The Purchaser will notify the Supplier regarding content and scope of the recall

measures that are to be carried out – to the extent feasible and reasonable – and the Purchaser will provide the Supplier the opportunity to express his point of view. Other statutory claims remain unaffected.

§ 8 Industrial Property Rights

(1) The Supplier guarantees that no industrial property rights of any third party are infringed in connection with the Supplier's delivery or service. In the event any third party asserts any claim against the Purchaser for such reason, the Supplier is obligated to indemnify the Purchaser upon first written demand from such claims. The Supplier's obligation to indemnify relates to all expenses, which necessarily arise for the Purchaser from or in connection with the recourse through any third party.

(2) The Purchaser is also entitled to procure permission for the delivery, putting into operation, utilization etc. from the owner of the industrial property rights at the expense of the Supplier.

(3) The articles (1) and (2) do not apply in the event and to the extent that the infringement of third party rights is caused by the Purchaser's customer specific specifications (drawings or similar).

§ 9 Retention of Title, Tools, Molds, Samples, Utilization of Word Marks and Figurative Marks

(1) The Purchaser does not recognize any extension of retention of title. The same applies to contractual pledges of claims against the Purchaser's customers within the scope of an extended reservation of title.

(2) Any material supplied to the Supplier by the Purchaser remains the property of the Purchaser and is to be stored, labeled and administered separately free of charge. Such materials may only be used for the Purchaser's orders. The Supplier is obligated to compensate for any deterioration or loss of such materials. The Supplier is obligated to provide a detailed statement of such materials upon Purchaser's request. The Purchaser may, upon prior notice and during normal business hours, assure itself onsite at the Supplier's factory that the Supplier complied and or complies with its obligations pursuant to article (2).

(3) Processing or reforming the material by the Supplier is carried out on the order of the Purchaser. In the event the goods subject to retention of title is processed with other objects or articles, which are not the property of the Purchaser, the Purchaser acquires co-ownership to the new item proportionate to the value of the items of the Purchaser in relation to the value of the other processed items at the point in time of the processing of the items.

(4) The Purchaser reserves all titles or industrial property rights to all depictions, cost estimates, drawings, samples, models, molds, profiles, standard specifications sheets, calculations, tools etc. manufactured for and or handed over to the Supplier. Such depictions, cost estimates, drawings, samples, models, molds, profiles, standard specifications sheets, calculations, tools etc. as well as any object or item manufactured according to such specifications may not be copied, reproduced, or disclosed to any third party without the express written consent of the Purchaser. They may be used exclusively for production. They are to be protected against unauthorized inspection and utilization and are to be held secret vis-à-vis any third party. They are to be returned free of charge to the Purchaser by the Supplier without being asked after the completion of the order.

(5) Subject to additional rights, the Purchaser may demand return in the event the Supplier violates such obligations.

(6) The company name or the company brand (word mark or figurative mark) of the Supplier or manufacturer may only be used on printed materials, drafts etc. with the written consent of the Purchaser.

§ 10 Confidentiality

(1) The Supplier undertakes to neither pass on nor disclose otherwise to any third party any and all information and data affecting the Purchaser and of which the Supplier gains knowledge within the course of the performance or execution of a contractual relationship with the Purchaser.

(2) The confidentiality obligation pursuant to article (1) does not apply if

a) the information and data become publicly available;

b) the Purchaser has given written consent to the Supplier regarding a specific individual situation to disclose such information and data to third parties;

c) the Supplier gained knowledge regarding such information and data from a third party, provided that such third party lawfully obtained possession of such information and that the disclosure of such information does not violate any confidentiality obligation binding such third party.

d) the Supplier is obligated to disclose the information and data due to a court order, a directive of a public authority or other institution or due to statutory provisions.

(3) The Supplier bears the burden of proof for the existence of an exception from the confidentiality obligation pursuant to article (2).

(4) The Supplier is obligated to also bind its employees and sub-contractors by written agreement to observe secrecy in terms of Section 10, if such employees and sub-contractors require access to the information and data pursuant to article (1).

§ 11 Invoicing

(1) Stating the order number shown on the order, the invoice is to be submitted in duplicate and according to the provisions of Section 14 UStG [Value Added Tax Act].

(2) In the event the invoice is serviced after the delivery of the goods, the receipt date of the invoice is authoritative for the calculation of the discount period instead of the goods receipt

date. Unless partial deliveries are expressly agreed, an overall invoice is to be produced for each order after full delivery.

(3) Any receivables against the Purchaser may only be assigned with the Purchaser's written consent.

§ 12 Payments

(1) Unless provided otherwise in writing, payments are effected within 20 calendar days under deduction of 3% discount or net within 30 calendar days.

(2) The payment period commences upon full delivery or completion of the services rendered or upon acceptance and the properly drawn up invoice is serviced, according to Section 11.

(3) A discount deduction is also admissible in the event the Purchaser offsets the invoice against other Purchaser's claims or withholds payments due to defects at a reasonable amount; the payment period commences after the complete remedy of any defects.

(4) The Purchaser is entitled to the statutory offsetting and withholding rights.

§ 13 Place of Performance, Applicable Law, Place of Jurisdiction and Miscellaneous

(1) Place of performance for any deliveries and services is the receiving location indicated by the Purchaser. Place of performance is the Purchaser's place of business. These procurement terms and conditions and all legal relationships between the Purchaser and the Supplier are governed by the laws of the Federal Republic of Germany under exclusion of the United Nations Convention on Contracts for the International Sale of Goods (CISG)

(2) To the extent the Supplier is a general merchant in terms of the German Commercial Code, legal entity of public law or special public fund the seat of the Purchaser is the exclusive place of jurisdiction for all disputes arising directly or indirectly from the contractual relationship.

(3) In the event a provision of these procurement terms and conditions or a provision within the scope of other agreements is or becomes ineffective the effectiveness of all other provisions or agreements remain in effect.