

## General Purchasing Terms and Conditions

### 1 General

1.1. The following terms and conditions are to govern orders and any other purchase agreements for goods and services placed or entered into by HEITEC AG and its subsidiaries (hereinafter "HEITEC"). The General Purchasing Terms and Conditions will apply in their version in effect at the time of the order or contract.

### 2 Applicability

2.1. Unless agreed otherwise by individual contract, legal relationships between the Contractor and HEITEC will be governed solely by the following terms and conditions.

2.2. Any terms or conditions of the Contractor that are contrary to or deviate from HEITEC's ordering terms and conditions will not apply even if, in a given case, HEITEC does not expressly object to them, and particularly even if ordered goods are accepted without objection.

### 3 Orders

3.1. All orders and all changes or additions thereto must be in writing. The content of oral or telephone discussions will not be binding until confirmed in writing.

3.2. The Contractor will review the order promptly for recognizable errors, ambiguities, incompleteness and whether the specification chosen by HEITEC is unsuitable for the intended use; the Contractor will promptly notify HEITEC of any necessary changes or clarifications in the order.

3.3. The Contractor will, on its own responsibility, review the version numbers of the ordered articles to ensure that they comply with the documentation or specifications the Contractor has received, and if needed will ask HEITEC for missing version numbers or version numbers updated by HEITEC.

3.4. If the order confirmation deviates from the order, the Contractor must notify HEITEC of the differences and explain them, clearly and unmistakably, in the order confirmation. HEITEC will be bound by a deviation only if HEITEC has expressly consented to that deviation in writing. Acceptance of goods without stating reservations will not constitute such consent.

### 4 Delivery period

4.1. The delivery period will begin with the date of receipt of the order. As soon as the Contractor can assume it will be unable to perform its contractual obligations, in whole or in part, or unable to perform them in a timely manner, it must promptly notify HEITEC, stating the reasons and the expected duration of the delay. If the Contractor fails to do so, it cannot invoke the impediment in order to assert rights against HEITEC.

4.2. In the event of the Contractor's dilatory performance, if the Contractor is at fault, and after HEITEC sets a fair and reasonable grace period without results, HEITEC may have a third party carry out the performance not yet provided by the Contractor, at the Contractor's expense. HEITEC may instead, after setting a fair and reasonable grace period without results, withdraw from the contract.

4.3. If the Contractor does not provide fulfillment within the agreed delivery period, it will be liable as provided by law.

4.3. Irrespective of any fault of the Contractor and irrespective of any documentation of actual loss or damage, HEITEC will be entitled to offset a penalty of 0.3% of the total order value per calendar day or part thereof of delay in delivery of the goods or services, but not more than a total of 5% of the total order value. HEITEC reserves the right to demand damages in addition to the penalty.

### 5 Prices

5.1. The agreed prices are firm, and are understood to include delivery to place of use as well as packaging and shipping costs, but not the applicable value added tax. If, in exceptional cases, a price "ex works" is agreed upon, HEITEC will assume responsibility only for the least expensive shipping costs.

5.2. HEITEC expressly reserves the right to acknowledge surpluses or shortfalls in deliveries.

### 6 Invoices

6.1. An invoice must be sent to HEITEC, stating all order data, immediately after the delivery of goods or after the full completion of services, as the case may be. The invoice must be worded, and invoices must be broken down, in such a way that it is very easy to check them against the order and to audit the invoice.

6.2. HEITEC reserves the right to return, without processing, invoices that do not meet requirements, particularly concerning order data or regulations governing value added tax. In this case the invoice will be deemed unsubmitted.

### 7 Payments

7.1. The payment period for invoices will begin as soon as the goods or services have been accepted in full by HEITEC and a properly issued invoice has been received.

7.2. Unless agreed otherwise, payments will be made, at HEITEC's discretion, either within 14 days less a 3% discount, or within 30 days less a 2% discount, or within 60 days net. HEITEC may withhold payment until defects have been corrected.

## 8 Quality

- 8.1. Deliveries must comply with the agreed specifications, be free from material defects and be suitable for the use presupposed by HEITEC.
- 8.2. The Contractor must continuously adjust the quality of its products to be delivered to HEITEC to comply with the latest state of the art, and proactively notify HEITEC of possibilities for improvements and technical changes.
- 8.3. The Contractor must establish and maintain a documented quality assurance system of a suitable nature and scope and complying with the latest state of the art. It must prepare records, particularly of its quality inspections and testing, and make those records available to HEITEC on request.
- 8.4. The Contractor consents to quality audits by HEITEC to evaluate the efficacy of the Contractor's quality assurance system.

## 9 Reporting defects

- 9.1. HEITEC must report defects in deliveries to the Contractor as soon as they are discovered, consistently with the conditions of the normal course of business. To that extent, the Contractor waives the defense of a tardy complaint of defects.
- 9.2. HEITEC is required to inspect incoming deliveries only as to ordered type and quantity, as well as shipping damage or externally evident defects. HEITEC is under no obligation to the Contractor to perform any inspections or tests above and beyond the foregoing.

## 10 Warranty

- 10.1. The warranty period will be 24 months from the delivery of goods, unless agreed otherwise by contract.
- 10.2. The Contractor must remedy defects at no charge – including incidental expenses – and without undue delay, by reworking. If reworking is not possible, or if HEITEC cannot be expected to accept reworked parts, the Contractor must replace the defective parts with faultless ones at no charge. The foregoing is without prejudice to any further claims by HEITEC.
- 10.3. In emergencies, or if the Contractor is tardy in remedying a defect, HEITEC may carry out the necessary measures itself, or have them carried out by a third party, at the Contractor's expense.
- 10.4. The Contractor must reimburse HEITEC for all loss or damage, particularly damage to the work itself or to other property as a result of defects, and/or pecuniary loss, frustrated expenditures, or other costs.

## 11 Product liability

- 11.1. If action is brought against HEITEC for product liability, to the extent applicable the Contractor will stand with regard to HEITEC as though the Contractor were directly liable. This provision is without prejudice to the Contractor's contractual liability.
- 11.2. The Contractor will be liable to the extent required by law for measures taken by HEITEC to avert damage, e.g., for recalls.
- 11.3. HEITEC will promptly notify the Contractor if HEITEC intends to involve the Contractor as provided in the foregoing sections. HEITEC will give the Contractor opportunity to inspect the instance of damage and to coordinate with HEITEC concerning the measures to be taken.

## 12 Third-party intellectual property rights

- 12.1. The Contractor represents that the use of the supplied items as contracted does not infringe third-party intellectual property rights. In the event of an infringement, the Contractor will hold HEITEC harmless from all claims that third parties may assert against HEITEC for the infringement of intellectual property rights.
- 12.2. Section 12.1. will not apply insofar as the Contractor has produced and delivered the items concerned in accordance with specifications supplied by HEITEC.
- 12.3. The Parties will notify one another promptly of any risks of infringement that become known, or alleged cases of infringement, and will give one another the opportunity to counteract such claims by joint agreement.

## 13 Shipping provisions

Unless provided otherwise by individual contract, delivery is agreed to be DDP (delivery address). The Contractor will thus bear the risk of damage until the goods are accepted by HEITEC at the location where the goods are to be delivered as ordered.

## 14 Insurance

Shipping insurance will be taken out solely by the Contractor, unless agreed otherwise by individual contract.

The Contractor will be liable for damage caused by the Contractor, its personnel, or its agents through services or work performed, or delivered items, and must take out a sufficient amount of liability insurance to cover such cases.

## 15 Tools

15.1. All tools, equipment and forms ordered and paid for by HEITEC will be HEITEC's property and subject to its unrestricted right of disposal, and are lent to the Contractor exclusively to produce the contract items ordered by HEITEC.

15.2. So far as possible, the Contractor must permanently label the tools as HEITEC's property.

15.3. The Contractor is responsible for maintaining, keeping up and properly storing the tools. Tools must be insured by the Contractor at replacement value against fire, theft and water damage. The Contractor will bear all costs incurred for this purpose.

15.4. HEITEC is entitled to demand the return of some or all of the tools provided to the Contractor without stating reasons. In this connection, without prejudice to any claims to which the Contractor may be entitled against HEITEC under the business relationship, the Contractor waives all rights of retention in response to a request for return.

15.5. The Contractor must promptly notify HEITEC of any impending distraint of goods or of the initiation of any proceeding for insolvency or composition with creditors, and must take all necessary steps to preserve HEITEC's rights.

## 16 ROHS

16.1. The Contractor warrants that the goods or services that it is to provide under the order are compliant with RoHS (*Restriction of (the use of certain) hazardous substances*) in Electrical and Electronic Equipment), and therefore comply with the limit values associated with the applicable guidelines at the time of delivery. In the event that non-RoHS-compliant work is provided, the Contractor must reimburse HEITEC for all loss or damage resulting from the deliveries, without prejudice to any warranty claims that may apply.

## 17 Declaration on substances and materials for products

17.1. The Contractor must inform HEITEC at the time of delivery, in accordance with Article 33 of Regulation (EC) No. 1907/2006 (REACH), if the delivered products contain one or more substances from the version applicable at that time of the list under Article 59(1) of REACH (list of candidates) in a concentration greater than 0.1 percent by mass (referred to the delivered product without packaging).

## 18 Source of goods

18.1. The delivered contract items must comply with the conditions for origin under the EEA preferential agreements unless explicitly stated otherwise in the order confirmation.

## 19 Confidentiality

19.1. Except for information that is common knowledge or that otherwise lawfully becomes known to the Contractor, the Contractor will not make any information received from HEITEC accessible to third parties even after termination of the business relationship, and will use such information only to fulfill the orders placed by HEITEC.

19.2. Products made in accordance with documentation or specifications made available by HEITEC cannot be used by the Contractor itself, or offered or delivered to third parties.

19.3. In the event of a violation of the terms of Secs. 19.1. and 19.2., the Contractor will be liable to HEITEC for the full amount of the loss or damage thereby incurred, particularly for lost profits.

## 20 Code of conduct

20.1. The Contractor must obey the laws of the legal system(s) applicable in the Contractor's case. In particular, the Contractor will neither actively nor passively, directly nor indirectly, participate in any form of bribery, price-setting agreements, or violation of fundamental human rights.

20.2. The Contractor will furthermore assume responsibility for the health and safety of its employees at the workplace, will comply with the environmental protection laws, and will to the best of its ability encourage and require compliance with this code of conduct on the part of its own suppliers.

20.3. If the Contractor is at fault for a violation of these obligations, HEITEC will be entitled, without prejudice to further claims, to withdraw from the contract or to terminate the contract.

## 21 Place of performance, partial invalidity, applicable law, jurisdiction and venue

21.1. The place of performance for the delivery of goods and services will be the place of use; for payments, the place of the registered office and principal place of business of the relevant HEITEC company.

21.2. If any provision of a contract is invalid, the other provisions will remain binding.

21.3. In addition to the terms of the contract, only the laws of the Federal Republic of Germany will apply. The jurisdiction and venue for the parties is Nuremberg. HEITEC is entitled, however, to bring action at the place of the Contractor's registered office and principal place of business.