

General Terms and Conditions of Purchase and Orders (GTCPO)

for Goods, Services, or Similar Items of CE cideon engineering GmbH & Co. KG

subsequently listed as CE, as of 13 April 2016

1 Validity of the GTCPO

- 1.1 We order and/or commission solely on the basis of these General Terms and Conditions of Purchase and Orders subsequently referred to as GTCPO. Agreements or General Terms and Conditions of Business of the Supplier, subsequently listed as Supplier, are only valid if CE is expressly made aware in writing of said agreements or General Terms and Conditions of Business and CE has expressly agreed to said agreements or General Terms and Conditions of Business. In the case that the supplier has accepted the order for services in reference to its own Purchase Conditions or other Terms and Conditions, in which CE had given an order with reference to these GTCPO, and upon rendering said services, this is considered as the final agreement of the Supplier under inclusion and sole validity of the GTCPO of CE.
- 1.2 At the latest these GTCPO will be accepted by the Supplier at the beginning of the execution of the order
- 1.3 These GTCPO are valid for the purchase of goods, equipment, assemblies and the like as well as the commissioning of services in the form of engineering services or similar services

2 Offers

- 2.1 Offers of the Supplier must be tendered non-binding and free of charge for CE. Deviations between the Supplier's offer and our request must be clearly acknowledged in writing.
- 2.2 Drawings, models, prototypes and other documents, which are made available to the Supplier or made to our specifications by the Supplier, are only allowed to be used for the processing of the offer for CE and for the execution of the ordered delivery and/or service for us. These are to be immediately returned free of charge upon demand at any time upon completion of our request or at the latest upon execution of the ordered delivery or services.

3 Conclusion of a Contract

- 3.1 Only written orders, e.g. by posted letter, fax or email, are binding for us. Verbal agreements are only binding upon a following written confirmation by us. Correspondingly the same conditions apply to any modifications, changes, or supplements to our orders.
- 3.2 We expect the order confirmation in complete conformity with our order within 10 days of the date of order at the latest, or within eight days upon receipt of the order by the Supplier.
- 3.3 If the customer confirms our request under amended conditions, our silence does not mean we accept the amended offer. In this case the contract will not be concluded. If the Supplier renders his services, the Supplier does so at his own risk. The Supplier must expect to bear the costs of the repudiation including the return of its goods or services.
- 3.4 Rules of the Supplier regarding the reservation of proprietary rights are not seen as a discrepancy from our order and we will duly recognize them as such.

4 Prices

- 4.1 The prices given by the Supplier are firm prices and are to be understood as net prices including the currently valid value added tax (VAT). The prices are to include the compensation for all transferred deliveries and services of the supplier with this order.
- 4.2 We will only pay for packaging if a special compensation is agreed upon with the Supplier in writing.
- 4.3 Insofar as there is no other written agreement, the deliveries must be delivered free of cost "delivered duty paid" (DDP) to the agreed upon delivery address according to INCOTERMS 2000 including packaging.

5 Articles of Sale, Service

- 5.1 Our order is authoritative regarding the scope, kind and content of the delivery or service.
- 5.2 Designs, descriptions, plans inter alia, which belong to the order, are binding for the Supplier. The Supplier must inspect said documents for possible discrepancies upon receipt and immediately inform us in writing regarding any said discrepancies. The Supplier is solely responsible for his own designs, descriptions, plans inter alia, when these are confirmed by us.
- 5.3 Insofar as there is no other written agreement, the Supplier must render the entire services free of material defects and legal discrepancies (including patent rights). All technical documentation, test and inspection certificates as well as attestations and similar documents belong to the order also without express agreement.
- 5.4 Upon ordering devices or systems or components or assemblies as well as services, the Supplier must include the corresponding device documents, instructions, replacement part lists, circuit diagrams, dimensional drawings, tool lists, catalogs, especially the operating and maintenance instructions as well as the maintenance manual and similar documents of the delivery. Three paper copies of all pertinent documents must be provided as well as in usual media forms free of charge, unless an express written agreement states otherwise.

6 Delivery Appointments, Delays and Liability

- 6.1 Delivery and service appointments and deadlines, which are mandated by CE, are binding for the Supplier. Our prior written consent is required for early deliveries or services as well as partial deliveries and services.
- 6.2 CE reserves the right to adjust the agreed upon delivery or service appointments and deadlines in agreement with the customer, in as much as this is required to be taken under consideration of CE and is reasonable for the supplier.
- 6.3 The day of delivery is valid as the day of arrival of the agreed upon complete articles of delivery including the agreed upon documentation as well as the shipping documents at the place of receipt as indicated by us.
- 6.4 The Supplier is liable to compensate us for all delivery delay damages, insofar as the Supplier does not prove, that the Supplier must not compensate for said damages.
- 6.5 The acceptance of a delayed delivery or service does not imply a waiver of compensation claims.
- 6.6 If the agreed upon dates are not met due to a situation in which the Supplier is responsible, we are, upon expiration of our determined deadline, entitled to pursue legal claims of our choice regardless of proceeding for compensation of damages instead of requesting the fulfillment of the order or to procure a replacement from a third party; the right to terminate the contract remains unaffected.

7 Packaging, Shipping, Receipt of Shipment

- 7.1 The Supplier is liable for all suitable packaging.
- 7.2 The order number is to be clearly indicated on all shipping and delivery documents. In the case of improper shipping and delivery documents, we are entitled to refuse receipt of delivery and the Supplier must bear said costs.
- 7.3 In the exceptional case that there is a written agreement for the separate compensation of packaging, we reserve the right to return reusable packaging material used in the shipment to the address of the supplier upon invoice credit of two thirds of the value of packaging.
- 7.4 Delivery must be made to the specified or agreed upon recipient address. Deliveries, for which CE must partially or entirely bear the shipping costs according to agreement, must be delivered according to the cheapest method of shipping and at the lowest priced shipping rates for us.

8 Transfer of Risk

The risk, also the risk of accidental loss or accidental deterioration of the goods, also during shipping, is first transferred to CE with the complete delivery and hand over of the ordered goods, and/or the written acceptance of the company, and/or the the written confirmation of an employee of CE. If the services include delivery and installation, the risk is first transferred to CE after completion of the installation and written

confirmation by an employee of CE. Commissioning and testing of a system does not constitute acceptance of the delivered goods.

9 Production Control, Inspection

- 9.1 During production and delivery, we are entitled to inspect the quality of the utilized materials, the accuracy of dimensions and quantity and any other quality aspects deemed appropriate of the produced parts on the premises of the Supplier and the subcontractors of the Supplier. The Supplier must bear all costs of production control and final inspection with the exception of the personnel sent by CE, insofar as no other regulations or agreements are valid.
- 9.2 Production control documents and inspections according to clause 9.1 do not release the Supplier from obligation fulfillment and do not exclude any claims of defects.

10 Invoicing, Terms of Payment

- 10.1 Unless otherwise requested by CE, the Supplier must issue one copy of any invoice according to current valid law and must send said invoice to CE separate from any delivered goods. The original bill of shipping must be included for every delivery or service. Invoices and bills of shipping must contain information, which allows for orderly booking. This especially includes the order number and date, our material and/or request number, the number of units belonging to a delivery, weights, etc.
- 10.2 Invoices, which do not correspond to valid law or do not contain the information mentioned above, will not be viewed as legally issued. Payment will be issued within 14 days upon receipt of our goods less 3% cash discount and net within 30 days upon receipt according to valid law in compliance with invoicing, but not before receipt of goods or delivery of complete services and the necessary acceptance and receipt of agreed documentation by CE. The valid day of payment is the day of transfer from our bank account. CE is entitled to partial payment upon agreement with the Supplier.
- 10.3 Payment will be made subject to the accuracy of invoices and the conformity to the contract of the paid services and does not imply any acknowledgement of accuracy of delivery and services, and does not imply any waiver of due entitlement to performance and/or claims of defect.

11 Guarantee, Complaints

- 11.1 The Supplier is responsible that the delivered goods and/or services conform to the agreed upon specifications of the order and are made of the agreed upon materials. The Supplier guarantees, that the delivered goods and/or services are free of material, production or design defects, are technically state-of-the-art at the time of delivery. The supplier also guarantees that the delivered goods and/or services are capable to fulfill normal and/or contractually agreed upon usage which do not reduce the worth of the delivered goods or equipment or services. The Supplier also guarantees that the supplied services and delivered goods are state-of-the-art at the time of conclusion of contract, that they comply to current laws, guidelines and policies of government authorities, unions and trade associations, and that the Supplier is unaware of any pending changes. This is expressly valid for the EU, Germany and the location of the Supplier according to rules and regulations among others for environmental protection laws. The Supplier will immediately notify CE regarding any pending changes to said laws, rules and regulations.
- 11.2 Insofar as any individual cases of deviation from these rules and regulations are necessary, the Supplier must immediately inform CE and receive written confirmation. The normal purchase and/or contractual obligations including any guarantees quality of goods or services will remain unaffected by this provision.
- 11.3 CE reserves all current legal rights in case of delivery or performance of services of defective goods and/or service. Especially in case of material defects or legal deviations, CE may require either the remediation of the defect or delivery of product free of defects according to our choice.
- 11.4 If CE undertakes reworking of delivered goods and/or due to agreement or an unobserved reworking deadline, the Supplier must bear all necessary costs and expenses. This is also valid for any reworking which CE carries out or has carried out because of special urgency or risk of delay, especially with pending and/or unusually high damages and when a previous agreement with the Supplier is not possible.
- 11.5 Insofar as no other agreements are reached, guarantee claims of CE expire after two years from the acceptance of risk or from the point in time in which the defect is discovered, insofar as this event is within the legal guarantee claim period of two years or three years at the longest after the delivery by the Supplier. If the delivered product is used within its normal manner of use for construction and such caused defectiveness of

said structure within the guarantee claim period, the guarantee claim period of CE expires after five years from the point of risk acceptance.

- 11.6 Complaints by the delivery of ordered goods are considered to be raised in due time if the Supplier is notified of the obvious defect within 10 days of the receipt of goods.
- 11.7 During the expiration deadline of defect claims of a delivery and/or service, the Supplier must immediately and finally resolve said claims including any additional costs according to the choice of CE either by repair or exchange of the defective parts respective to the rules in provision 11.3. CE reserves the right to request a new delivery of non-defective goods and/or services (according to 11.3). The supplier must resolve any defects, provide any new deliveries or new production immediately. These effect a new beginning of the guarantee period according to provision 11.5.
- 11.8 All pending defect claims, especially the right of withdrawal in addition to the compensation for damages due to breach of contract § 280 I BGB, c.i.c. §§311 II and III BGB and tort remain unaffected

12 Third Party Trademark Rights, Guarantee

- 12.1 The Supplier assures that third party rights are not violated due to the delivery or usage of delivered goods or performed services, especially trademark rights such as patents, brand names or registered designs and the like. The Supplier is obligated to exempt CE for any third party claimed legal violations and to compensate any resulting expenses.
- 12.2 Should the Supplier or a third party assume a guarantee of quality of the delivered goods or that the delivered goods maintain a defined level of quality for a defined period of time (durability guarantee), CE remains without prejudice of any legal claims of rights from the guarantee, to said guarantee description and/or pertinent advertisement of the given conditions to those of which the guarantee belongs. In the case that the Supplier assumes the durability guarantee, it will be assumed, that the rights of the guarantee are justified by emergent material defects during the valid period of guarantee.
- 12.3 As soon as the Supplier has assumed the guarantee for the quality of goods or equipment in the form of an assurance, the supplier is liable for the legal right of damage compensation, including damage compensation instead of fulfillment. The expiration deadline is three years, calculated from the discovery of the defect or the absence of the respective quality.

13 Assignment, Transfer of Contract Execution

- 13.1 Without the express written consent of CE, the Supplier is not allowed to transfer its contract execution either entirely or partially to a third party as well as its contractual claims. The Supplier reserves the right to engage an agent in the fulfillment of its services.
- 13.2 CE will not deny the consent for the assignment of claims without a valid reason if there are no counterclaims from CE.

14 Contractual Penalties, Compensation for Damages, Reimbursement of Expenses

- 14.1 If the Supplier does not fulfill its delivery and/or fulfillment obligations according to the contractually agreed upon time, CE can claim a contractual penalty in addition to the fulfillment to the amount of 0.5% of the gross order amount per calendar week commenced. The maximum amount of this contractual penalty is limited to 5%.
- 14.2 The Supplier must also pay a contractual penalty of the same amount as provision 14.1 in case of culpable quality violation for the time of the notification of defect to the correction of said defect. The basis of calculation here is the affected part of the contractual object of the quality violation.
- 14.3 CE can claim damages above and beyond in cases of those listed in provisions 14.1 and 14.2.
- 14.4 CE is not obligated to enforce the contractual penalty as need be already at acceptance or delivery or the fulfillment of services, but is entitled to enforce the contractual penalty up to the payment of the final invoice.

15 Contractual Termination Rights due to Insufficient Performance

In case it is recognized upon conclusion of the contract that the fulfillment of the order by the Supplier is at risk due to insufficient capability, e.g. due to economic deterioration, actual performance obstructions, insufficient performance resources and the like, CE is entitled to withdraw from the contract.

16 Court of Jurisdiction, Applicable Law

- 16.1 For all disputes arising out of the contractual relationship, if the Supplier is a merchant, a legal entity under public law or a public law estate, the law suit is to be filed at the court of jurisdiction for the headquarters of our company. We are also entitled to file law suits at the court of jurisdiction of the headquarters of the Supplier. Disputes regarding nonpecuniary claims are excluded from this court of jurisdiction agreement, which the district courts are assigned without regard to value of the matter in dispute or for disputes for which an exclusive court of jurisdiction is established. The place of fulfillment for any payment is the CE branch from which the order was requested.
- 16.2 Laws of the Federal Republic of Germany shall apply to the contract.
- 16.3 The provisions of the Vienna United Nations Convention on Contracts for the International Sale of Goods do not apply.

17 Direct Advertising, Non-Competition Clause

- 17.1 The Supplier is obligated to refrain from direct advertising to the employees and final customers of CE.
- 17.2 The Supplier is not allowed to conclude a contract as a follow-up contract with final customers or employees of CE. A non-competition clause is in effect regarding final customers of CE.
- 17.3 In the case of a breach of provisions 17.1 and 17.2, the supplier is obligated to pay CE a contractual penalty in the amount of at least EUR 5000.00 with a maximum of 5% of the contract sum between the Supplier and CE in each case of infringement of said provisions.

18 Nullification of Clauses

If single provisions of contracts comprising these GTCPO should be either entirely or partially nullified, the validity of the remaining provisions is therefore unaffected and remain in place. The entirely or partially nullified provisions should be replaced by provisions, which should replace the economic result of the nullification as closely as possible.