

## General Terms and Conditions of Purchase of Comtronic GmbH (GTCP) (updated July 2018)

### § 1 General terms and conditions:

1. The legal relationships between Comtronic GmbH (hereinafter: Comtronic) and Suppliers (hereinafter: Supplier) in connection with the supplies and/or services of the Supplier are governed exclusively by the following general terms and conditions (hereinafter called GTCP), unless an express agreement has been made to the contrary.
2. Conflicting Supplier conditions shall not apply, even if Comtronic has not expressly objected to them or if ordered supplies and/or services have been accepted without reservation.
3. The Supplier shall provide his delivery and/or service in accordance with the specifications, functional specifications or other order agreements coordinated with Comtronic and stipulated by means of a mutual written declaration.
4. With the initial delivery and/or service according to these GTCP the Supplier also acknowledges their exclusive validity for all further orders.

### § 2 Placing orders

1. The orders from Comtronic as well as amendments or supplements to said orders shall be made in writing.
2. The order from Comtronic shall only be deemed as accepted once the Supplier has sent the confirmation of order.
3. Comtronic shall be entitled to cancel its order free of charge if said order is not accepted within ten working days of receipt without amendment.
4. Comtronic shall be entitled to request changes to the supplies and/or services from the Supplier within the bounds of what is reasonable; the Supplier shall implement said changes within an appropriate period of time. Should said change request contain additional charges or cost reductions or have consequences for the delivery deadlines, Comtronic shall be informed immediately and furnished with proof. A mutual agreement shall be sought with regards to the cost and delivery time. However, if no such agreement can be reached within an appropriate period of time, Comtronic shall decide at its reasonably exercised discretion pursuant to Section 315 (1) German Civil Code (*Bundesgesetzbuch, BGB*).
5. Should the scope of supplies and services include non-standard software, the Supplier shall declare himself willing to undertake changes to said software for a period of five years following delivery in accordance with Comtronic provisions. Should said software originate from a third party it shall also be obliged to adhere to the same provisions by means of a subcontract. The Supplier shall inform Comtronic of any and all costs and deadlines incurred for this purpose. If no mutual agreement can be reached within an appropriate period of time, Comtronic shall decide at its reasonably exercised discretion pursuant to Section 315 (1) BGB.

### § 3 Delivery deadlines; default

1. Agreed delivery deadlines for supplies and services shall be binding and apply upon arrival at the place of performance unless an express agreement has been made to the contrary. Comtronic shall be entitled to refuse acceptance of supplies and/or services which are not delivered in accordance with the delivery periods stated in the order, and may return or store said supplies and/or services at the Supplier's expense and risk.
2. Should the Supplier be aware that delays will occur he is to immediately inform Comtronic of such in writing, detailing the grounds for the delay and its possible duration. Furthermore, the Supplier shall also inform Comtronic in writing of the measures he has taken to eliminate the cause of the delay and minimise its implications.

3. Should the Supplier fail to perform its contractual duties within a reasonable period of time stipulated by Comtronic, then Comtronic shall have the right to refuse acceptance without warning, withdraw from the contract or demand damages for non-performance.

4. In the event of delivery delays, Comtronic shall be entitled to demand a penalty in the amount of 0.5% for each commenced week of delay, but not exceeding a total of 5% of the respective value of the order. This contractual penalty shall be charged in addition to the damages for delay to be paid by the Supplier.

5. Comtronic shall retain the right to demand additional actual expenses incurred due to insufficient fulfilment of the contract (Section 341 BGB) until final payment has been made.

### § 4 Prices

1. The prices are fixed prices. These prices include all expenses connected with the supplies and services to be provided by the Supplier.

### § 5 Invoices; payments

1. Invoices shall be submitted in duplicate. Invoices that fail to include order details and a correct postal address cannot be processed by Comtronic. Such invoices with missing details or which contain errors can be returned by Comtronic at any time and shall be deemed as being not received.
2. Payment shall become due no sooner than after the contractually specified receipt of goods and the receipt of a proper and verifiable invoice from the Supplier.
3. Any payments made shall not constitute recognition that the supply or service is in line with the contract. In the event any supply or service is not in line with the contract or incomplete, Comtronic shall be entitled – without prejudicing its other rights – to withhold any payment for any and all claims arising from the business relationship with the Supplier in a reasonable scope. Should a defect covered under the warranty be identified, Comtronic shall be entitled to withhold payment until the warranty obligations have been met.

### § 6 Offsetting; assignment

1. The Supplier shall be entitled to offset only uncontested claims or claims established with legal effect.
2. The assignment of claims against Comtronic shall only be permitted following the written consent of Comtronic.

### § 7 Production release

1. In the event that Comtronic has requested a sample, the Supplier may commence production only when Comtronic has presented written approval of the sample.
2. If the supplier begins with the production before he has the approval of the sample he does it on its own risk and shall bear any expenses occurred for rework or replacement.

### § 8 Obsolete components; redesign (component availability)

1. The Supplier shall install and maintain a system for monitoring component availability for series or system production. Furthermore, the Supplier shall submit a written "Obsolete components report", i.e. a report about component availability, to Comtronic every six months during the term of the agreement.
2. Should materials required by the Supplier for production and/or supplies and/or services no longer be available, the Supplier undertakes to inform Comtronic of this immediately and provide Comtronic with suggestions for procuring replacements. Should this not be possible and the Supplier has responsibility for the design, he shall Provide Comtronic with an offer for the design change. The costs for development are to be agreed upon mutually by Comtronic and the Supplier if Comtronic commissioned said development.

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## § 9 Safety; environmental protection

1. The supplies and services of the Supplier shall adhere to legal provisions, in particular safety and environmental regulations and the safety recommendations of the responsible German professional associations, such as the Association of German Engineers (*Verein Deutscher Ingenieure, VDI*), the Association for Electrical, Electronic and Information Technologies (*Verband der Elektrotechnik Elektronik Informationstechnik, VDE*), Central Association of the German Electrical and Electronics Industry (*Zentralverband Elektrotechnik- und Elektronikindustrie, ZVEI*) and the German Institute for Standardisation (*Deutsches Institut für Normung, DIN*). Particular adherence should be paid to the Hazardous Substances Act (*Gefahrstoffverordnung, GefStoffV*), Electrical and Electronic Equipment Act (*Elektro- und Elektronikgerätegesetz, ElektroG*) and in the field of aviation to the required and typical safety requirements in line with state-of-the-art technology.
2. The Supplier shall ensure that the supplies and services comply with the pertinent standards and state-of-the-art technology.

## § 10 Import and export regulations; customs

1. The Supplier shall state his EU tax identification number for supplies and services that originate from an EU country other than Germany.
2. The Supplier undertakes to present a supplier's declaration pursuant to EC Regulation 1207/2001 ("procedures to facilitate the issue or the making out in the Community of proofs of origin and the issue of certain approved exporter authorisations under the provisions governing preferential trade between the European Community and certain countries"), permit inspections to be conducted by customs authorities and to procure any and all necessary official confirmations.
3. The Supplier undertakes to inform Comtronic no later than upon confirmation of the order as to whether the supplies and services are subject to export authorisation obligations or to US re-export regulations.
4. Imported goods must be delivered duty-paid.

## § 11 Pass of risk; acceptance; property rights

1. Irrespective of the agreed prices, the risk of loss on the delivery of goods not involving installation or assembly shall pass to Comtronic upon receipt of such goods at the address of delivery stipulated by Comtronic and, upon the delivery of goods involving installation or assembly, it shall pass to Comtronic upon the successful completion of such installation or assembly. The fictitious acceptance set forth in Section 640 (1) Sentence 3 BGB is excluded.
2. Comtronic shall become the owner of the supplies no later than upon payment. Any and all prolonged or extended retention of title is excluded.
3. The Supplier shall treat with care the tools belonging to Comtronic and provided to the Supplier for use as well as undertake their maintenance. Comtronic property shall be indicated as such on the objects themselves and in the Supplier's books. After completion of the order, the Supplier shall return the tools to Comtronic immediately upon request.

## § 12 Quality requirements

1. The Supplier shall ensure that the goods comply with the specifications or functional specifications specified in the order, that they do not infringe upon pertinent standards state-of-the-art technology and that he shall monitor the quality of his supplies and/or services constantly.
2. With the initial supply according to the relevant quality requirements the Supplier also acknowledges their exclusive validity for all further orders.
3. The Supplier undertakes to maintain an effective quality assurance system that complies with DIN ISO 9001:2000 or EN 9100:2003 standards in order to ensure that a suitable, satisfactory and uniform level of quality is achieved and upheld for all supplies.

4. Comtronic shall retain the right, after prior arrangement, to visit the Supplier's production facilities and conduct audits for the purposes of evaluating the quality assurance system referred to in Section 12 (3) of the GTCP. For this, also customers of Comtronic or competent authorities may also be present.
5. Deviations from the respectively agreed specifications shall not be permitted. If these occur in exceptional cases, approval must always be provided by Comtronic before the respective delivery.
6. The Supplier is not entitled to pass ordered deliveries and/or services to subcontractors without the approval of Comtronic.
7. The Supplier shall be obliged to inform Comtronic in all technical issues.
8. The Supplier shall be obliged to inform Comtronic in all major changes (for example new manufacturing plant, change of the managing director)
9. The Supplier shall ensure that appropriate ESD actions are implanted in his company and shall be respected.
10. The Supplier shall ensure that no materials with expired availability date are used for the production of Comtronic assemblies.
11. The Supplier shall ensure that the retention period of the documents shall be complied with.
12. The Supplier shall provide the test reports related to the functional tests. The test reports shall be included to the deliveries.
13. Samples for approval requested by Comtronic shall be delivered with an initial sample test report.
14. The Supplier shall ensure that deliveries are packed suitable for shipping.
15. The Supplier shall be obliged to a certificate of conformity with each delivery.
16. In case of complaints the supplier shall be ensured to answer in writing the receiving reports of Comtronic and to explain the cause and state corrective actions to eliminate the faults.
17. Comtronic shall be the right to assess the quality of the Supplier and to demand activities for improvement.
18. With assignment of orders to subcontractors all requirements have to be passed on.

## § 13 Duty of inspection and objection; incoming goods inspection

1. Comtronic shall conduct an incoming goods inspection upon receipt of said good to determine any and all visible damage as well as any and all noticeable deviations from the identity, quality and amount of the supplies.
2. Comtronic shall reserve the right to undertake a more in-depth inspection of the incoming goods. Any and all defects found, including those identified in the normal course of business, shall be objected to immediately hereafter. In this respect the Supplier waives the defence of late notification of defects.
3. Comtronic shall be entitled to refuse acceptance of those incoming goods identified as having a defect.
4. If Comtronic returns defective goods to the Supplier, then Comtronic shall be entitled to charge the Supplier the invoice amount plus a flat expense charge of 5% of the price of the defective goods, but not exceeding €350 per return delivery. Comtronic shall retain the right to provide evidence of higher expenditure. The Supplier shall retain the right to provide evidence of lower or no expenditure.

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## § 14 Warranty for defects of quality or title

1. Any and all defective goods shall be immediately substituted with goods without defects, and any and all defective services must be repeated in a manner without defects. In the event of a development or construction error on the part of the Supplier, Comtronic shall be entitled to invoke the rights stipulated in Section 14 (3) GTCP.
2. Comtronic shall be required to consent to a remediation of the defective goods. During the period in which the object of the supply or service is not in the possession of Comtronic the Supplier shall bear responsibility for the risks.
3. Should the Supplier fail to rectify the defect within a reasonable period of time stipulated by him, then Comtronic shall be entitled to withdraw from the contract, reduce the remuneration and demand additional damages in each case.
4. In emergency situations, particularly where operational safety is in jeopardy or to avoid extraordinarily high damages, and also in order to eliminate minor defects and when the Supplier is behind schedule in rectifying a defect, Comtronic shall be entitled, after prior information and the expiry of a short grace period appropriate to the situation, to rectify the defect and any resulting damage itself at the Supplier's expense or to commission a third party to undertake said rectification also at the Supplier's expense. The aforementioned shall also apply if the Supplier is late in delivering the goods or services and Comtronic is required to remedy the defect immediately to avoid its own delayed delivery.
5. The warranty period for defects of quality or title shall be 36 months from pass of risk pursuant to Section 11 of these GTCP insofar as the legislation does not foresee longer periods. The term of the warranty period shall be suspended for the time period which begins with Comtronic sending the defect notification and shall end with the receipt of the non-defective delivery or service by Comtronic.
6. If the Supplier shall deliver or provide a service corresponding to plans, drawings or other requirements, the conformity of the delivery or service with the requirements is deemed as being expressly assured. Should the delivery or service deviate from the requirements, Comtronic shall be entitled to invoke the rights specified in Section 14 (3) of these GTCP.
7. The assertion of further rights remains unaffected.

## § 15 Repeated impairments of performance

1. If the Supplier provides goods or services of substantially the same or similar nature which, despite repeated written notices by Comtronic, are again defective or late, the right to supplementary performance shall be deemed unreasonable and Comtronic shall be entitled to immediately withdraw from the agreement, namely also with respect to such goods or services that the Supplier will be obligated to render based on previous or other contractual relations to Comtronic in the future.

## § 16 Indemnity for defects of quality or title

1. The Supplier shall indemnify Comtronic from all claims raised by a third party against Comtronic – regardless of for which reason – owing to a defect of quality of title or another defect in a supply or service by the Supplier, and shall reimburse Comtronic the costs required for a resulting legal prosecution.

## § 17 Product liability

1. The Supplier shall indemnify Comtronic from all claims raised by a third party against Comtronic – regardless of for which reason – owing to a defect of quality of title or another defect in a supply or service by the Supplier, and shall reimburse Comtronic the costs required for a resulting legal prosecution.
2. The Supplier shall be obliged to maintain product liability insurance at his own expense, with coverage of at least €10 million. The Supplier shall provide Comtronic with a copy of the product liability insurance policy upon request at any time. Upon receipt of the first order, the supplier must provide his insurance certificate.

## § 18 Technical documents; tools; resources

1. Any and all technical documents, tools, drawings, work standard sheets, resources – including those produced by the Supplier according to order specifications – etc. originating from Comtronic constitute the intellectual property of Comtronic and are subject of copyrights held by Comtronic. To the extent required for settling the order, Comtronic shall grant the Supplier a limited term non-exclusive usage license to the aforementioned copyrights, which shall terminate once the order has been settled. Comtronic shall retain exclusive ownership of any technical documents, tools, plant specifications list, resources, etc., which it has made available. Such material, together with any duplicates made, shall be returned to Comtronic immediately after executing the order without Comtronic having to request the Supplier to do so. In this respect, the Supplier shall have no right to enforce any right to withhold from Comtronic.
2. If, in order to execute the order, the Supplier produces technical documents, tools, drawings, plant specifications list, resources, etc. then Section 18 (1) shall apply accordingly, i.e. Comtronic assumes ownership of these types of objects. If Comtronic participates in the production costs on a pro rata basis only, then Comtronic will acquire co-ownership rights in the relevant items, which the Supplier shall gratuitously hold in custody on Comtronic's behalf. However, Comtronic may acquire the Supplier's rights related to the items at any time subject to reimbursement of any item production expenses not yet amortised and demand repossession of the items from the Supplier.
3. If Comtronic assumes over the tool costs, a separate agreement hereto shall be made. The Supplier shall maintain, store and keep the tools in good working order at his own expense.
4. The Supplier shall use the technical documentation, tools, drawings, plant specification sheets, resources, etc. only to implement the order. They may not be passed on to unauthorised third parties or otherwise disclosed. The duplication of the aforementioned documents and objects is only permissible insofar as it is absolutely necessary in order to fulfil the order placed by Comtronic.

## § 19 Provision of material

1. Material provided by Comtronic shall remain the property of Comtronic and shall be held in custody gratuitously by the Supplier with the care of a prudent businessman separately from the other property of the Supplier and be identified as Comtronic property. It may be used solely for an order placed by Comtronic. Damage to the material provided shall be replaced by the Supplier.
2. If the Supplier processes the material provided by Comtronic or reforms it, this activity shall occur solely for Comtronic. Comtronic directly becomes owner of the new products coming into existence as a result. If the provided material forms only a part of the new production, then Comtronic shall acquire co-ownership to the new product in line with the share which corresponds to the material value provided by Comtronic.

## § 20 Testing; test records; labelling

1. The product shall be labelled in line with the drawing documentation. If no labelling requirements are defined in the drawing documentation, then the smallest packaging unit and the parts identification mark shall be labelled.

## § 21 Repair

1. At the request of Comtronic, the Supplier undertakes to implement repairs even outside the warranty period, provided they are reasonable for and can be implemented by the Supplier. This requires a separate agreement, relating in particular to prices and delivery time.

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## § 22 Confidentiality

1. The Supplier undertakes to treat confidentially information or knowledge which he obtains in connection with making an offer or with the order from Comtronic, unless the Supplier demonstrates to Comtronic that this information was available to him before making the offer or was subsequently made available to him by an authorized third parts without an obligation to secrecy or that it was or has become generally available without the Supplier having caused this or being responsible for it.
2. Production for third parties and exhibition especially for Comtronic, particularly products manufactured in line with Comtronic drawings or production specifications, publications during the period services and goods are order require the express prior approval from Comtronic in writing.

## § 23 Other provisions

1. Place of performance is the respective address of delivery.
2. The place of jurisdiction is Heidelberg.
3. The law of the Federal Republic of Germany applies, with the exclusion of the UN Convention on Contracts for the Sale of Goods and the rules of procedures of German international civil law.
4. Should individual provisions of these general terms and conditions be or become invalid in part or as a whole, this does not impact the effectiveness of the other provisions. The parties undertake to replace the invalid provision with a provision which corresponds largely with the intended economic purpose of both parties in a legally permissible manner.