

## General Terms of Purchase

### 1. General - Scope

- (1) Our terms of purchase shall apply exclusively. We shall not recognise any terms, which may run contrary to or deviate from our terms of purchase unless we have explicitly consented to their validity in writing. Our terms of purchase shall also apply even if we accept the supplier's delivery without reservation in the knowledge of the supplier's terms running contrary to or deviating from our terms of purchase.
- (2) All agreements between the supplier and us to carry out this contract need to be written down in this contract.
- (3) Our terms of purchase shall apply exclusively vis-à-vis entrepreneurs pursuant to section 310 para. 4 of the German Civil Code.
- (4) Our terms of purchase shall also apply to all future transactions with the supplier.
- (5) These General Terms of Purchase shall apply unless otherwise agreed in the purchase order text.

### 2. Quotation – quotation documents

- (1) The supplier is obliged to accept our order within a period of 1 week.
- (2) We shall reserve property rights and copyrights to figures, drawings, calculations and other documents; they must not be made available to third parties without our explicit and written consent. They may be used exclusively for production on the basis of our order. After completion of the order they must be returned to us without request. They must be kept confidential vis-à-vis third parties. In this respect, the supplementary stipulations as set out in clause 10. para. (4) shall apply.
- (3) In addition to clause 2 para. (2) further non-disclosure agreements are binding.

### 3. Prices - terms of payment

- (1) The price specified in the order shall be binding. Insofar as nothing to the contrary is agreed in writing, the price shall include the delivery "free forwarding address", including packaging.
- (2) The waste disposal has to be specially arranged for. Insofar as nothing contrary is agreed, the supplier is obliged to get the packing back on its own expense at the place of delivery mentioned in the order.
- (3) Prices include further purchase tax. In addition, price also includes additional charges for transport, packaging, insurance and temporary storage.
- (4) If parties agree to a delivery "carriage forward" exceptionally, supplier will have to note that we are customer exempted from forwarding, logistics and warehousing insurance. As a consequence, supplier resp. the freight forwarder may not invoice any premium concerning forwarding, logistics and warehouse insurance.
- (5) Invoices shall only be processed if they show the identification of goods as well the proper order number shown in our order, date of order, bulk and packaging; if the supplier fails to meet this obligation, he is responsible for all consequences, unless he provides evidence that such failure is not attributable to him. All consignments have to be accompanied by a readable delivery note.
- (6) Insofar as nothing to the contrary has been agreed in writing, we shall pay the purchase price within 14 days, calculated as from the date of delivery and receipt of an invoice, with 3% discount, or net within 30 days after receipt of the invoice. If receipt of the invoice is delayed, the date of receipt shall be relevant for the discount period.
- (7) We shall be entitled to set off and to rights of retention to the extent specified by law.
- (8) The supplier may only assign any contractual claims according to this contract with our prior approval. We shall refuse the approval only for good cause.
- (9) All prices listed in the purchase order are fixed prices.

### 4. Delivery period

- (1) The delivery date specified in the order shall be binding. We in particular point out that our products are special parts, are thus not replaceable or interchangeable and are subject to fixed deadlines (plant shut-downs/letter of credits). The commencement of the delivery time specified by us depends on the supplier fulfilling his obligations in a timely and proper manner. The right to raise objection to non fulfillment of the agreement is reserved.
- (2) The supplier shall be obliged to give immediate written notification if a delay in delivery becomes foreseeable. Should the supplier be in default in delivery or violate other cooperation obligations we are entitled to demand compensation for the losses that arise as a result, including any additional expenditures. Any further legal claims remain unaffected.
- (3) In the event of a delay in delivery we shall be entitled to assert a contractual penalty amounting to 0.5% of the delivery value per day commenced but no more than 10% in total. Rights to further statutory claims shall be reserved.

### 5. Transfer of risk - documents

- (1) If nothing to the contrary is agreed in writing, the goods shall be delivered at our receiving centre. The risk shall pass to us as soon as the goods are handed over to us.
- (2) As long as the property has not yet officially been handed over to us, the supplier is obliged to handle the goods with utmost care. He is in particular obliged to insure the goods against fire and water damage and theft at his own expense, with the insured sum being adequate to cover the replacement value. In the event that any maintenance and inspection work is required, the supplier must arrange for such work to be performed in good time at his own expense. As long as title has not been transferred, the supplier is obliged to inform us without delay in

writing, if the delivered goods are impounded or otherwise subject to the intervention of any third party. In the event that any such third party is not in a position to reimburse the cost of proceedings incurred both in and out of court in accordance with Section 771 ZPO (Code of Civil Procedure), the supplier shall be liable for the reimbursement of such cost.

- (3) We shall be obliged to accept the goods only in the time from Monday to Friday, 8.00 am - 3.00 pm. Goods may only be delivered on working days, holidays and bridging days should be observed.
- (4) It is the supplier's obligation to inquire the exact delivery address at ZMK 14 days before delivery. The notification of readiness for dispatch must contain at least the designation of the parts, the quantity of the packages, each package's dimensions in cm, each package's weight in kg, the type of packaging and, if collection was agreed upon, the complete address for collection and the loading times.
- (5) The supplier is obliged to fill in our correct order number in all shipping documents; if the supplier defaults, we shall not be responsible for delays in processing.

### 6. Safety instructions - environmental impact

- (1) The supplier warrants that the goods delivered and the services performed comply with the respective legal provisions corresponding to their utilization and with the current state of the art, in particular the rules concerning the safety of equipment, product safety, safety at work and the rules for accident prevention. I.e. the supplier undertakes to adhere to the generally accepted regulations of technology, the occupational safety and accident prevention regulations and the regulations and directives of the relevant authorities, employers' liability associations and trade associations. If standards and regulations have been provided or listed in purchase orders their adherence and implementation must be confirmed in writing. Upon request, the supplier shall provide evidence of their adherence. If the supplier defaults, he is liable for resulting damages.
- (2) The supplier shall be responsible for the safety equipment of his assigned employees.
- (3) The supplier is obliged to notify that the goods delivered or the services are covered by the Regulation on Dangerous Substances, as the case may be. In this event, the supplier is obliged to inform us about the impact and to hand over safety data sheets.

### 7. Incoming goods inspection - liability for defects

- (1) We shall be obliged to inspect the goods within an appropriate period for any quality or quantity deviations. The notice of defect shall be regarded in time if received by the supplier within a period of 10 working days, calculated as from the date of receipt or calculated as from the date of discovery as far as latent defects are concerned.
- (2) We shall be entitled to the statutory warranty claims without restriction. In any case, we shall be entitled to demand rectification of defect or replacement, as we may choose. We explicitly reserve the right to compensation for damages, in particular the right to compensation for damages instead of performance.
- (3) We shall be entitled to repair by ourselves in case of imminent danger and in the event of special urgency. All expenses in connection with the repair have to be borne by supplier.
- (4) The warranty period shall be 24 months, calculated from the transfer of risk.

### 8. Product liability - indemnification - liability insurance protection

- (1) Insofar as the supplier is responsible for a product liability act, he shall be obliged to indemnify us from damage claims of third parties upon first request to the extent that the cause is in his area of control and organisation and he is liable vis-à-vis third parties.
- (2) Within the supplier's liability under paragraph (1), he shall also be obliged to reimburse any expenses pursuant to §§ 683, 670 and §§ 830, 840, 426 of the German Civil Code, arising from or in connection with a recall action made by us. We shall inform the supplier as far as possible and as far as can be reasonably expected on the content and scope of the recall measures and shall give him the opportunity to comment. Other statutory claims shall remain unaffected.
- (3) The supplier shall undertake to maintain a product liability insurance policy with a cover sum of 10 million EURO per personal injury / property damage; any other damage claims to which we are entitled shall not be affected by this.

### 9. Industrial property rights

- (1) The supplier shall be responsible for ensuring that no third party's rights are infringed in connection with his delivery.
- (2) If action is filed against us by a third party on these grounds, the supplier shall be obliged to indemnify us from these claims upon first written request; we shall not be entitled to come to any agreements and in particular to make a settlement with the third party without the consent of the supplier.
- (3) The indemnification duty of the supplier shall refer to all expenses we necessarily sustain from or in connection with claims from third parties.
- (4) The statute of limitation shall be 10 years, calculated from conclusion of the contract.

### 10. Reservation of ownership - provision of material - tolls - secrecy

- (1) If we provide parts to the supplier, they shall remain our property. These objects shall always be processed or reformed for us. If the parts in which we have retained title are inseparably assembled with goods that are a third party's property, then we shall acquire co-title in the new goods. The proportion of title

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shall follow from the proportion of the value of the goods delivered by us under retention of title and the value of the other goods.

(2) If the objects in which we have retained title are inseparably mixed with goods that are a third party's property, then we shall acquire co-title in the mixed stock. The proportion of title shall follow from the proportion of the value of the goods delivered by us under retention of title and the value of the other goods. If assembly or mixing is performed in such way that the supplier's object is to be regarded as the main object, it shall be agreed that the supplier shall transfer proportionate co-title to us. The supplier shall keep the sole property or the co-property for us.

(3) All tools shall remain our property; the supplier may use the tools only to manufacture the goods ordered by us. The supplier shall insure our tools, based on replacement value, against damages caused by fire or water as well as against theft, at his own expenses. The supplier herewith assigns all claims of the insurance policy; we herewith accept assignment of the claims. The supplier shall be obliged to carry out maintenance work, inspections and repair at our tools in due time on his own expenses. He has to inform us about any breakdown or disturbance immediately. He is liable for the damages caused if he fails to do so and such fault is attributable to him.

(4) The supplier is obliged to keep all figures, drawings, calculations and other documents and information strictly confidential. They must not be made available to third parties without our explicit consent. This confidentiality obligation shall also apply after performance of the contract; this obligation shall expire if and insofar the knowledge in the figures, drawings, calculations and other documents became public.

### 11. Place of jurisdiction - Place of performance

(1) Our place of business shall be the place of jurisdiction insofar as the supplier is a merchant; however, we shall be entitled to bring action against the supplier at his place of residence.

(2) Place of performance shall be our place of business, unless otherwise agreed.

(3) The contractual relationship shall be governed by the laws of the Federal Republic of Germany. The application of the United Nations Convention on Contracts for the International Sale of Goods shall be excluded.

(4) If any of these terms should be invalid, the validity of the other terms of the contract shall remain unaffected. The statutory provisions shall replace invalid terms.

12. We have committed to purchase goods only from the EU. Therefore the obligation exists to obtain a supplier declaration indicating the country of origin is in the EU. Deviations from this must be requested with ZMK in writing and must be granted.

### 13. Customer's statutory right of cancellation

The customer has the right to cancel the purchase order within one month after receipt of the written purchase order confirmation – or within 14 days after delivery of the goods, as long as the goods are in the same condition as upon delivery. If the customer makes use of his right to cancel the purchase order the purchase price will be refunded in exchange for the goods.

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