

GENERAL TERMS AND CONDITIONS OF PURCHASE

PINION GMBH



1. SCOPE

- (1) Our General Terms and Conditions of Purchase apply with respect to companies as defined by Section 14 of the German Civil Code (BGB), legal persons and legal special estates ("Supplier"). They are an integral part of all quotations and contracts governing deliveries and services including ongoing business relationships and those in existence from now on, even if we have not made explicit reference to them. Unless agreed otherwise, the General Terms and Conditions of Purchase shall be valid at the time Purchaser places the order and (in any case) in the version most recently provided to them in text form as a framework for future contracts, without the need for us to refer to them again in each individual case.
- (2) Our General Purchasing Terms and Conditions shall apply exclusively. Conflicting conditions or those deviating from these Purchasing Terms and Conditions shall not be recognized by us unless we have agreed to their validity expressly in writing. We shall not acknowledge deviating conditions of Supplier even if we accept deliveries without reservation with knowledge of these conditions. Subsidiary agreements shall not be binding.

2. ORDERS, ORDER CONFIRMATIONS

- (1) Our purchase orders and order confirmations shall be valid only if they are placed or submitted in text form. This also applies to amendments and additions to the agreements made as well as for subsidiary agreements. The written form requirement shall also apply to a waiver of the written form requirement.

3. DELIVERY, DEADLINES, CONTRACTUAL PENALTY

- (1) The valid specifications and delivery periods are those specified in the purchase order unless expressly specified otherwise. Amendments shall require our written agreement.
- (2) Delivery periods start on the date when the order is placed and refer to the corresponding Delivery Terms and Conditions. Supplier shall be entitled to make partial deliveries only after previous agreement.
- (3) We are not obligated to accept before the delivery date.
- (4) If—regardless of reason—delays in delivery are to be expected, Supplier shall notify us of this as soon as Supplier becomes aware of it. Our statutory and other rights in case of a delivery delay of Supplier are not affected by this provision.
- (5) For each case of exceeding the delivery period for which Supplier is responsible, Supplier undertakes to pay us a contractual penalty in the amount of 0.5% of the net order volume for each week or partial week of the missed deadline, but no more than 5% of the order volume. Supplier shall reserve the right to prove that no damages at all arose or that the damages were substantially lower. Otherwise, we are entitled to assert the contractual penalty, even if we did not stipulate this reservation when accepting the goods, until Supplier pays the invoice in full.

4. TRANSFERRED MATERIALS

- (1) The tools, molds, patterns, models and plans transferred to us by Supplier for creation shall remain our property. Without our written consent, neither they nor objects manufactured using them may be passed on to third parties nor used for other purposes than those specified in the contract.
- (2) Pending further rights, Client shall be entitled to demand that they be returned immediately.
- (3) Supplier shall be responsible for replacing lost or damaged tools, molds, patterns, models and plans unless it is not responsible for the loss or damage.

5. PRICES AND TRANSFER OF RISK

- (1) The prices specified in the purchase order originate from the order. Unless otherwise agreed in the individual case, the price shall include all services and auxiliary services of Seller (e.g. assembly, installation) as well as all incidental costs (e.g. proper packaging, transport costs including any transportation and liability insurance).
- (2) The risk of accidental loss or accidental deterioration of the goods is transferred to us at the handover at the place of fulfillment. Insofar as an acceptance is agreed, this shall be authoritative for the passing of risk. In all other respects also, the statutory regulations of law governing contracts for work and labor apply in case of acceptance. The same shall hold true with regard to the handover/acceptance if we are in default with acceptance.
- (3) The price agreed between us and Supplier shall be a fixed price and includes statutory value-added tax if this tax is not broken out as a separate line item.

6. ACCEPTANCE

- (1) The delivered goods shall be inspected for obvious quality and quantity deviations within an appropriate period. Complaints regarding obvious defects that are evident during this process can be filed until the end of the ten-day period after receipt of the goods. Complaints regarding defects that are not immediately evident during this process can be filed until the end of the ten-business-day period after discovery of said defects.
- (2) If acceptance is required in accordance with Section 640 of the German Civil Code, we are entitled to carry out partial acceptances, but not obligated to do so.
- (3) Labor disputes, interruptions of operations and other cases of force majeure shall relieve us of the duty of acceptance until the reason for the hindrance no longer exists. If these hindrances last more than three months, each party shall be entitled to withdraw from the contract.

7. BLANKET PURCHASE ORDERS

- (1) For blanket purchase orders, we are entitled—but not obligated—to call up the maximum quantity of goods agreed with Supplier within the time frame agreed with Supplier.
- (2) In case of a call-up, delivery shall take place within ten days.

8. PAYMENTS

- (1) The agreed price is due for payment within 30 calendar days of complete delivery and service (including any agreed acceptance) and receipt of a proper invoice. If we make payment within 14 calendar days, Seller shall grant us a 3% cash discount on the net amount of the invoice. For a bank transfer, payment shall be deemed to have been made in a timely manner if our transfer order is received by our bank before the payment term expires; we are not responsible for delays on the part of the banks involved in the payment transaction.

We shall not owe any interest on maturity. Otherwise, the statutory regulations for payment default apply.

- (1) Payments do not include any waiver of our contractual or statutory rights with regard to the delivery or service, such as the later filing of defect claims, assertion of warranty claims and compensation for damages.

9. RIGHT OF OFFSET AND RETENTION

- (1) Supplier shall be entitled to offset and to assertion of §§ 273, 320 BGB only if its counterclaims are either uncontested or legally established. Asserting a right of retention shall also require that Supplier's claims are based on the same contractual relationship.

10. WARRANTY

- (1) Supplier assumes full liability for guaranteeing that the goods it delivers are not defective. In case of a defect, we shall have recourse to statutory warranty claims.
- (2) Remedial work shall be carried out in the place where the goods (where applicable, after resale by us) are located.
- (3) If Supplier does not fulfill its obligation of subsequent performance within a reasonable period to be set by us, we shall be entitled to remedy the defect ourselves and to demand reimbursement of the necessary expenses. The statutory warranty period is in effect. During the rectification (remedial work, subsequent delivery), the limitation period for warranty claims shall be suspended in accordance with the following provisions, insofar as Supplier was obliged to remedy the defect: For subsequently delivered parts of the goods, the warranty period shall start anew upon completion of the subsequent delivery. For reworked portions of the goods, the warranty period shall restart insofar as it concerns the same defect or the consequences of defective remedial work.
- (4) If we withdraw from the contract due to a defect in the purchased item, Supplier shall reimburse us for the contract costs unless we are responsible for the reason for withdrawal.
- (5) Supplier guarantees that no rights of third parties are infringed in connection with its delivery. If claims are asserted against us by a third party due to an infringement of its rights, Supplier shall be obliged to indemnify us against such claims. The duty to indemnify also pertains to all expenses necessarily incurred by us in conjunction with the claim asserted by a third party.

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11. PRODUCT LIABILITY

- (1) Supplier is obliged to indemnify us against claims of third parties arising from product liability if and to the extent that it is responsible for the product defect and the damage occurring according to the principles of product liability law. Within the scope of this obligation, Supplier is further obliged to reimburse us for any expenses arising from or in connection with a recall action carried out by us. We will inform Supplier about the content and scope of the recall measures to be carried out - as far as possible and reasonable - and give Supplier the opportunity to comment.
- (2) Supplier undertakes to maintain product liability insurance with coverage of at least € 500,000,- per personal injury / property damage - lump sum - and to prove this to us.
- (3) This is without prejudice to any other statutory claims.

12. QUALITY STANDARDS AND OTHER STANDARDS

- (1) The order is placed under the condition that the goods to be delivered comply with the laws, recognized quality standards, rules of technology and norms with regard to safety - in particular product safety and machine safety - and that said goods are CE-compliant and marked accordingly.
- (2) Supplier undertakes to submit the necessary documents for the assessment of conformity at short notice upon request. This obligation is part of the contract. If this regulation is not observed, the order shall be deemed not to have been properly fulfilled. We reserve the right to claim reimbursement for damages due to consequences arising therefrom.

13. CLAIM TO REIMBURSEMENT FOR DAMAGES

- (1) Claims against us to reimbursement for damages for ordinary negligence, regardless of legal grounds, shall be excluded. This exclusion of liability shall not apply to claims for damages based on a breach of material contractual obligations by us. Furthermore, it shall not apply to cases of injury to life, limb and health and in the case of mandatory statutory liability, such as under the German Product Liability Act.
- (2) In cases of slightly negligent violation of essential contractual obligations and gross negligence of simple vicarious agents, however, damages shall be limited to compensation for typical damage foreseeable at the time of conclusion of the contract.
- (3) Insofar as our liability is excluded or limited, the same exclusion shall apply to the personal liability of our staff, employees, colleagues, representatives and vicarious agents.

14. STATUTE OF LIMITATIONS

- (4) Otherwise, the statutory regulations for the statute of limitations apply.

15. PLACE OF PERFORMANCE AND JURISDICTION

- (1) The place of performance shall be the place where the goods are to be delivered in accordance with the order or our registered office if a place of delivery has not been agreed. In case Supplier is a merchant or does not have a general jurisdiction in Germany, our place of business shall be the jurisdiction. However, we are entitled to start legal proceedings against the buyer at its place of business.
- (2) German law shall apply exclusively for all legal relationships. The UN Convention on the International Sale of Goods shall not apply.

16. FINAL PROVISIONS

- (1) If individual provisions of these Terms and Conditions are or become completely or partially invalid, the validity or enforceability of the remaining Terms and Conditions and of the contract shall remain unaffected.
- (2) Should any provision of these Terms and Conditions or of the contract be invalid with regard to mandatory foreign law, Supplier undertakes, upon request, to agree with us on such contractual supplements and to make such declarations to third parties or authorities as will ensure the validity of the provision concerned and, if this is not possible, its economic content including under foreign law.