

General Conditions for Purchase

PRINOTH GmbH

Applicable for all business relationships with companies, public legal entities and public special funds.

1 General

- 1.1 These conditions of purchase form the basis of all orders and are exclusively valid. Contrary or additional conditions of the supplier (in the following: SP) are expressly excluded. This is also applicable when PRINOTH GmbH accepts or pays deliveries of products or services (in the following: subject of contract) of the SP being aware of conditions of the SP which are contrary or different to our conditions for purchase. Differing conditions are only valid if accepted expressly in writing.
- 1.2 These conditions for purchase apply also for all future deliveries and services of the SP to PRINOTH GmbH until effectiveness of our new conditions for purchase.
- 1.3 In case that the SP expressly disagrees in writing to our general conditions of purchase and no agreement is achieved; the validity of the contract will not be affected. Then the general legal regulations are applicable, as far as no single agreements have been agreed. A partial validity of conditions, as far as they are in SP's favour, does not come into consideration.
- 1.4 According to the requirements of the German Data Protection Act PRINOTH GmbH indicates to the SP that we treat his person-related and enterprise-related data which is required for the execution of the business connection by means of electronic data processing.

2 Conclusion of the Contract and Modifications

- 2.1 Orders, agreements and delivery demands as well as modifications and additions require written form. Orders and delivery demands can also be effected by data communication or facsimile.
- 2.2 Oral agreements before or upon conclusion of the contract require written confirmation by the PRINOTH GmbH purchasing department for validity. Figure 2.1, phrase 2 remains unaffected.
- 2.3 Oral agreements after conclusion of the contract, especially retroactive modifications and additions of our general conditions of purchase – including this written form clause – as well as supplementary agreements of any kind, do also require written confirmation by the PRINOTH GmbH purchasing department for validity.
- 2.4 SP's cost estimates are binding and shall not be compensated, except compensation has been expressly agreed upon.
- 2.5 In case the SP does not accept PRINOTH GmbH's order within two weeks after receipt, PRINOTH GmbH is entitled to cancel the order. Delivery demands become binding if the SP does not disagree within five working days after receipt of such.
- 2.6 All enquiries and quotations, including sample consignments are without obligation for PRINOTH GmbH and free of charge.

3 Deadlines and Penalty

- 3.1 Deviations from agreements and orders are valid only with PRINOTH GmbH's prior written consent.
- 3.2 Agreed schedules and deadlines are binding. Relevant for the keeping of the delivery date or the delivery period is the receipt of the product at PRINOTH GmbH's place. If no delivery „free receiver“ (DAP or DDP according to Incoterms 2010) is agreed upon, the SP has to provide the product on time for loading and despatch in accordance with the forwarder.
- 3.3 If the SP has taken over the installation or the fitting and nothing different is agreed upon, then the SP bears, except in case of differing requirements, all necessary additional expenses, such as travelling expenses, provision of tools as well as travel allowances.
- 3.4 If the agreed deadlines are not met, the SP has to pay a penalty for delay of 0,5 % (maximum 10 %) of the total contract price of the total delivery for each commenced week of delay. Further legal claims are not excluded by the penalty. Paid penalties are to be deducted from any further claims for damages. The penalty may be applied until unconditional payment of the delayed product. Penalty for delay is not applicable if the delay is caused by the purchaser. The penalty claim is not waived if the purchaser does not reserves the right for it upon acceptance of the product. Further legal claims remain unaffected. If the SP envisages difficulties concerning manufacturing, raw material supply, meeting of the delivery date or similar circumstances that might hinder him from delivery in due time or delivery in agreed quality, the SP has to inform PRINOTH GmbH's purchasing department without delay.
- 3.5 Acceptance without reservation of any rights of the delayed product or service does not mean any waiver of any claim for compensation owed to PRINOTH GmbH for delayed delivery or service. This applies until total payment of the amount owed by PRINOTH GmbH for the respective delivery or service is made.
- 3.6 Partial deliveries are generally not allowed, unless PRINOTH GmbH has agreed hereto in writing before or they are generally acceptable.
- 3.7 With regard to quantities, weights and dimensions, subject to a different proof, the values detected by PRINOTH GmbH during the incoming goods inspection are decisive.
- 3.8 With regard to software being part of the delivery including its documentation, PRINOTH GmbH has, in addition to the right of use to the legally possible extent (§§69a ff. UrhG [*German Copyright Law*]), the right of use with the agreed features of performance and at the extent necessary for a use of the product according to contract. PRINOTH GmbH is also authorized without explicit agreement to draw a backup copy.

4 Force Majeure

Force majeure events, such as e.g. labour disputes, breakdowns which are beyond the responsibility of the SP, turmoil, official measures and other unavoidable occurrences entitle PRINOTH GmbH – irrespective of other rights – to withdraw totally or partially from the contract, as far as they are not of minor duration and do not cause a considerable decrease in our demand.

5 Dispatch Notice and Invoice

The values and amounts in PRINOTH GmbH's orders and delivery demand apply. The invoice is to be addressed to the respective printed address in duplicate, indicating the invoice number, order No. and other attribution features; it shall not

be enclosed to the delivery.

6 Prices and Transfer of Risk

In case no special agreement is made, prices are free works duty paid (DDP according to Incoterms 2010), including packaging. VAT is not included. The SP bears the risk until acceptance of the delivery by PRINOTH GmbH or the representative at the place where the delivery has to be performed according to the order.

7 Terms of Payment

- 7.1 In case no special agreement is made, payment of an invoice is effected either within 20 days under deduction of 3% discount or within 60 days due net, from due date of payment and receipt of the invoice as well as the product, respectively the provision of the service. Payment is effected only under the condition that the invoice is still to be verified.
- 7.2 Assignments as well as other transfer of the SP's rights and obligations beyond the scope of §354a HGB (German Code of Commerce) are excluded; exceptions require our previous written consent.

8 Claims for Defects and Regress

- 8.1 Acceptance is conditional upon the control whether the product is free of any defects, especially for correctness, completeness and suitability. PRINOTH GmbH is entitled to verify the subject of contract, as far and as soon as this is possible according to due business conduct; discovered defects will be communicated by PRINOTH GmbH immediately after their discovery. This shall not be a delayed notice of defects.
- 8.2 Legal stipulations for defects of goods and defects of title are applicable, except to the following:
- 8.3 The right to choose the kind of supplementary performance is with PRINOTH GmbH. The SP has the right to reject said choice only under the conditions of §439 Abs. 3 BGB (German Civil Code).
- 8.4 In case the SP does not start the remediation of the defect immediately after request, then, in cases of urgency especially for risk avoidance or the avoidance of bigger damages, PRINOTH GmbH may eliminate the defect or have the defect eliminated by any third party. In any case the related cost are to be borne by the SP. Claims for defects of goods are limited to 2 years, except the good has been used in a building, according to its typical use, and caused its defectiveness. The defects liability period for defects of goods commences with supply of the product (transfer of risk).
- 8.5 In case of claims for titles the SP shall exempt PRINOTH GmbH from any third party claims. Claims of titles are limited to 10 years.
- 8.6 For refurbished or repaired parts within the defects liability period, the defects liability period shall begin again at the point of time when the SP has completely fulfilled the claims for supplementary performance.
- 8.7 Costs resulting from a defective delivery, especially cost for shipping, working, material costs or costs for an incoming goods inspection exceeding the normal extent are to be borne by the SP.
- 8.8 If, as a consequence of the defectiveness of the subject of contract delivered by the SP, PRINOTH GmbH has to take back products manufactured and/or sold, or if the purchase price has been reduced by PRINOTH GmbH customer then PRINOTH GmbH reserves the right to take regress towards the SP whereby a setting of deadline is not necessary.
- 8.9 PRINOTH GmbH is entitled to receive compensation from the SP for those expenses that PRINOTH GmbH has to bear with regard to the PRINOTH GmbH customer in case it has a claim against PRINOTH GmbH for compensation of the expenses necessary for reproduction, especially shipping, working, material costs.
- 8.10 Notwithstanding the regulation in clause. 8.5, the defects liability period in the cases of para.. 8.8 and 8.9 starts at the earliest 2 months after PRINOTH GmbH has fulfilled the claims of the PRINOTH GmbH customer, but at latest 5 years after delivery by the SP.
- 8.11 If a defect of quality appears within 6 months after transfer of risk, it is deemed that the defect already existed on transfer of risk, unless this assumption is contradicting with the nature of the matter or of the defect.

9 Product Liability and Product Recall

In case PRINOTH GmbH has to bear any claim from third parties due to product liability, the SP is obliged to indemnify PRINOTH GmbH accordingly, if and as far as the damage has been caused by a defect of the subject of contract delivered by the SP. In cases of liability without negligence, however, this is only applicable if the SP acted negligently. If the reason for the damage originates from in the area of responsibility of the SP, he bears the burden of proof. In these cases the SP bears all costs and expenses, including the costs of a possible legal actions or product recall. In addition to that the legal regulations shall apply.

The SP is obliged to issue and maintain sufficient product liability insurance. Upon request he has to submit evidence that third parties' claims based on product liability are covered by this insurance.

10 Execution of Works

Persons that execute works on PRINOTH GmbH premises have to obey the respective factory regulations. Any liability regarding accidents that might occur to these persons on the factory premises is excluded, unless they have been caused by intentional or gross negligent breach of duty of PRINOTH GmbH representatives or personnel.

11 Provision of Material

Materials, parts, containers and special packaging provided by PRINOTH GmbH remain PRINOTH GmbH property. These may only be used according to the contractual regulations. It is deemed that PRINOTH GmbH effects the processing of materials and the assembly of parts. It is agreed that PRINOTH GmbH is co-proprietor of the products manufactured using PRINOTH GmbH materials and parts in the relation of the value of the provisions to the value of the entire product and insofar stored on PRINOTH GmbH's behalf by the SP.

The SP shall be liable for loss and damage to PRINOTH GmbH property. He is obliged to adequately insure said property according to the above mentioned regulation, to store them properly and to return them to PRINOTH GmbH after completion of the contract.

Any damage to PRINOTH GmbH property has to be communicated immediately. This is also applicable for any enforcement measures of whatever kind.

12 Documents and Confidentiality

- 12.1 All business and technical information made available by PRINOTH GmbH (including features which can be taken from any submitted objects, documents or software, and any other knowledge or experiences) have to be kept confidential with regard to any third parties, as long as the information is not evidently public knowledge, and may only be made available to those persons who must necessarily have the respective knowledge and who are also bound to the same degree of confidentiality. Those information remains PRINOTH GmbH exclusive property. Such information shall not be duplicated or used professionally without our previous written consent – except for deliveries to PRINOTH GmbH. Upon PRINOTH GMBH's request all information submitted by PRINOTH GmbH (including property rights and the right of registration of industrial property rights, such as patents, utility patents and semiconductor patents etc.) have to be returned or. to be destroyed. The SP is not entitled to any right of retention, notwithstanding the legal basis. Complete return resp. destruction has to be confirmed in writing. As far as third parties have made these information available to PRINOTH GmbH, this legal reservation is also applicable on behalf of these third parties.
- 12.2 The SP is not entitled to either use himself or offer, make available or deliver to third parties any products that are manufactured according to documents created by us, such as drawings, models and the like, or that are manufactured with PRINOTH GmbH's tools or copied tools. This applies for PRINOTH GmbH print orders accordingly.

13 Place of Performance

The place of performance is defined as the place where the product shall be delivered to according to the contract.

14 General Terms

- 14.1 If any part of any provision of these conditions shall be wholly or partially held to be void or unenforceable, such part of the provision shall be deemed to be deleted and the remainder of such provision and the remaining provisions of these conditions shall continue in full force and effect.
. Notwithstanding the foregoing, the Parties shall thereupon negotiate in good faith in order to agree the terms of a mutually satisfactory provision to substitute the part of the provision found to be void or unenforceable.
- 14.2 Place of jurisdiction for all cases of litigation directly or indirectly resulting from contractual relationships based on these conditions of purchase is Überlingen, Bodensee. PRINOTH GmbH is further entitled to take legal action at the court of SP's registered office or of SP's branch's registered office, or at the court of the place of performance.
- 14.3 Contractual language is English. In case German documents will be exchanged, the German text prevails.
- 14.4 The validity, construction and performance of contracts shall be governed by and interpreted in accordance with the laws of Germany, under exclusion of the collision law and the United Nations' agreement about contracts and the international purchase of goods (CISG).