

General Terms and Conditions of Purchase

1 Validity of the General Terms and Conditions of Purchase

- 1.1 Our General Terms and Conditions of Purchase apply to current and future orders or contracts entered into with our suppliers. Obligations additionally assumed by our suppliers do not affect the validity of these General Terms and Conditions of Purchase.
- 1.2 Our General Terms and Conditions of Purchase apply exclusively; we do not acknowledge the supplier's conditions to the contrary or those that vary from our General Terms and Conditions of Purchase or from statutory provisions, including if we do not expressly reject such conditions or if we nevertheless unconditionally accept or pay for the supplier's services.
- 1.3 Any limitation of our statutory rights or the rights set out in our General Terms and Conditions of Purchase, in particular any limitation or any exclusion of rights in respect of the goods or executing the contract shall be subject in any case to our express, written confirmation.

2 Entering into a contract/order

- 2.1 The supplier undertakes to notify us in writing from the time at which a contract is entered into or from an order that is based on a contract.
 - if its service or the goods are not suitable without restrictions for the use proposed in accordance with the contract,
 - if special safety requirements are to be complied with for the scope in this respect, or
 - if this could be associated with risks to health, safety or the environment.
- 2.2 Insofar as the supplier makes us an offer, this shall apply free of charge. The actual acceptance of the delivery, payment of the delivery or other conduct on our part or silence shall not justify trust placed in the supplier in respect of entering into a contract.
- 2.3 The supplier shall accept our orders by way of providing written confirmation of order. If the supplier's confirmation of order varies from our order or if the supplier extends or limits the order, the supplier shall highlight the amendments clearly as such. All amendments to our orders are subject to our written confirmation in order to be deemed valid. Amendments to a contract that has been entered into shall similarly be subject to our written confirmation.
- 2.4 Delivery call-ups made by us under an existing skeleton agreement or quantity contract shall acquire binding force at the latest if the supplier fails to object in writing within 5 workdays from receipt.
- 2.5 The supplier is to provide us with written confirmation of other orders within 2 workdays by stating the order number. Otherwise, we shall be released from any obligation resulting from the order.
- 2.6 Written correspondence is to be conducted with our order department. Agreements entered into with other departments shall be subject to express, written confirmation by the ordering department provided agreements are to be entered into in that respect that amend the points set out in the contract.
- 2.7 We are entitled, subject to reimbursement of reasonable expenses on the part of the supplier including proportionate profit, to amend at any time, after entering into a contract, requirements for the construction and design of the goods or wholly or partially cancel the contract that has been entered into.

3 Prices and terms and conditions of payment

- 3.1 The prices have binding force and are to be understood plus the respective statutory turnover tax. The "free receiving point" price includes all incidental costs in particular packaging, freight costs, insurance costs and offloading. If an "ex works" price has been expressly agreed upon, we shall only assume the most favourable freight costs provided we do not expressly specify the shipping type. In the event of doubt, all costs that arise up until the hand over to the carrier, including loading and cartage and delivery charges, shall borne by the supplier.
- 3.2 An increase in the prices agreed upon when entering in the contract, for whichever legal reason, is excluded.
- 3.3 The supplier's payment entitlement shall fall due, without relinquishing further-reaching statutory preconditions following delivery in full of the goods and following the proper receipt of invoice, within 21 days subject to a 3% trade discount or within 45 days without deductions (without the deduction of a trade discount).
- 3.4 Invoices are to be sent to us as a single copy and must state the Inovon order number and our product number for each individual item and the supplier's tax number. All other statutory requirements are to be complied with. Insofar amounts are settled by way of electronic invoices, the formal preconditions are to be agreed upon between the supplier and Inovon.
- 3.5 Payments made by us do not mean acknowledgement of the settlement, fault-free or timely nature of the delivery and shall be made at our discretion by bank transfer or hand over of bill of exchange or cheques. Charges and expenses that apply to payments shall be borne by the supplier.
- 3.6 We are entitled to exercise setting off and retention rights to an extent specified by law, including in the case of an agreement on cash clauses.

4 Deliveries

- 4.1 The supplier assures Inovon that the goods correspond with the DIN standards or the latest know-how, engineering standards and scientific knowledge that apply at the time of the delivery provided nothing to the contrary is expressly agreed upon. The supplier furthermore assures that the goods it supplies are free from prohibited substances in accordance with Annex to Section 1 of the Regulation on Prohibitions and Restrictions on Bringing into Circulation Hazardous Goods, Preparations and Products in accordance with the Chemicals Act (Chemicals - Prohibition Ordinance) as stated in the respective, valid statutory version.
- 4.2 The supplier shall comply with the additionally valid hazardous substance regulations set out in the REACH Regulation, and honour its resulting obligations to furnish information to Inovon. If complying with these or similar requirements leads to an alteration to the goods supplied by the supplier or if this affects the application options of the quality of the goods, the supplier is to inform Inovon of this without delay. By way of accepting the order, the supplier provides Inovon with confirmation that all the goods supplied by the supplier comply with the requirements set out in the REACH Regulation and the RoHS Directive on the Putting into circulation of hazardous materials in electrical equipment and electronic elements as stated in their respective, valid versions. Insofar as an acceptance certificate is not to be enclosed as per agreement, a plant certificate is to be forwarded to us with the goods free of charge in accordance with EN 10204.
- 4.3 The supplier furthermore assures that deliveries do not contain any conflict commodities, conflict resources or conflict minerals that were procured by the supplier or its suppliers or contracting parties.
- 4.4 The goods must be packed safely for the transport.
- 4.5 Partial, excessive or shortfall deliveries are only permitted by way of prior, approval. The values determined by our incoming goods section shall be deemed authoritative with regard to quantities, weights and measures subject to proof to the contrary.

- 4.6 Goods shall be delivered at the risk and cost of the supplier (free point of receipt) provided nothing to the contrary has been entered into in writing.
- 4.7 A packaging slip and two delivery notes containing details of our order and contract number are to be enclosed with each delivery. The delivery note must additionally contain details of the gross and net weight of the goods as well as the number of rings and coils. A consignment note is to be sent to us by separate post.
- 4.8 Where necessary, the supplier is to attach a CE marking to the goods and/or an EC Declaration of Conformity or an EC Manufacturer's Declaration. The supplier shall provide proof of origin (e.g. certificates of origin, supplier declaration in accordance with the EC Regulation No. 1207/2001) by way of all the necessary details and properly make such signed proof available to us.
- 4.9 As a matter of principle the goods shall become our property upon delivery. If reservation of title is agreed upon in favour of the supplier, this shall initially have the effect of basic reservation of title. However, Inovon is entitled to use, process and/or sell the goods without restrictions as well as assign ownership of the goods to third parties, including if this leads to the loss of the reservation of title.

5 Delivery dates and default in delivery

- 5.1 Agreed delivery dates and periods have binding force. Compliance in detail is a key obligation on the part of the supplier. Receipt of the goods at Inovon's business establishment is authoritative in respect of compliance with the agreed delivery dates. If a delivery is not agreed upon as "free point of receipt", the Supplier is to make the goods available in good time with consideration given to the customary time for loading and shipping. Delivery prior to the agreed time is not permitted.
- 5.2 The supplier must provide written notification without delay of default in delivery, in particular, as a result of difficulties in the production or the primary material supply and by way of stating the reason and likely duration of the delay. This does not affect our claims on the basis of the default in delivery.
- 5.3 In the event of default in delivery, we shall be entitled to the statutory rights and claims. We are entitled, in particular, following expiry in vain of a reasonable subsequent period to claim for damages provided the default in delivery is not Inovon's responsibility.
- 5.4 Inovon is entitled to reject deliveries before the agreed delivery date at the supplier's cost. If goods are not returned they shall be stored at Inovon's business premises up until the agreed delivery date at the supplier's cost and risk. In the event of early delivery we shall be entitled to pay for the goods by taking the agreed delivery date as a basis and with consideration given to the agreed payment period. We shall only accept partial deliveries following an express agreement.
- 5.5 The supplier undertakes to insure the transport of the insured goods at its own cost against the customary transport risks. At the same time, the supplier assigns at this point in time to Inovon all compensation claims resulting from such insurance. Inovon hereby accepts the assignment.
- 5.6 The supplier's rights in respect of putting aside the services incumbent upon the supplier or in respect of raising objections are excluded unless a counter-claim of the supplier against us falls due and is undisputed or has become res judicata or we seriously violate due obligations incumbent upon us from the same contractual relationship irrespective of a written warning and have not offered a reasonable safeguard.

6 Provision of materials, tools, drawings

- 6.1 Material made available by us and surrendered parts, containers and special packaging shall remain our property. The items made available by us may only be used as agreed and for our orders. If the items that are made available are processed or mixed with other items that are not

our property, we shall acquire co-ownership of the new items. Insofar as the item is capable of being divided, we shall acquire ownership in the proportion of the value of our provided materials (purchase price plus value added tax) to that of the other processed items at the time of processing or mixing.

- 6.2 In the case of external finishing, the permissible band waste may, at most, be 3% of the material provided by us, while the permissible pressed screen waste may, at most, be 1.5%. We shall invoice higher exclusion quotas at our full costs. Chips and waste are to be settled on an order-related basis, the waste is to be separated according to alloys and according to the share containing EM and the blank share, and returned to Inovan.
- 6.3 Tools, drawings and samples etc. that we surrender to the supplier shall remain our property. If these or parts thereof are forwarded to third parties following prior approval by us, the third party is to be informed of our ownership. All tools, drawings and samples etc. are to be returned to us without delay following the end of the delivery relationship or the contract. A right of retention is insofar excluded.
- 6.4 The supplier undertakes to use the tools made available by us as well as other production equipment exclusively to manufacture the goods we have ordered. In addition, the supplier undertakes to perform servicing and inspection work on these tools and production equipment that may be required and to perform all maintenance and repair work at its own cost in good time. The supplier is to notify us immediately of any malfunctions; if it culpably fails to do so, this shall not affect claims for resulting claims for damages.
- 6.5 The risk of loss and destruction of or damage to provided material, tools or other production equipment shall be borne by the supplier. The Supplier undertakes to insure, at its own cost, the above-mentioned items at replacement value with cover for fire damage, water damage or burglary. At the same time, the supplier assigns at this point in time to Inovan all compensation claims resulting from such insurance. Inovan hereby accepts the assignment.
- 6.6 The supplier undertakes to maintain strict secrecy about any drawings, models, calculations or other documents and information received from us in physical or electronic form. These may only be disclosed to third parties following our express, approval. The obligation to maintain secrecy shall also apply once the delivery relationship has been processed or the contract has been exercised. It shall expire if and insofar as the production know-how or the information contained in the surrendered drawings, models, calculations and other documents have been placed in the public domain.

7 Quality assurance

- 7.1 The supplier undertakes to independently review drawings, calculations, specifications and other requirements surrendered by Inovan as part of its general and special know-how and expertise in respect of potential defects or contradictions. Where applicable, the supplier shall notify Inovan without delay of its doubts, including regarding potential doubts, about the suitability for use such that the matter can be subsequently clarified together.
- 7.2 The supplier undertakes to put in place a quality assurance system in line with the latest engineering standards. Inovan reserves the right to put into concrete terms the type and scope of the quality assurance by entering into a corresponding quality assurance agreement. The supplier shall perform the quality assurance measures, including the required documentation, at its own responsibility. The supplier is to make the documentation available on request. The supplier is to store the documentation in accordance with the statutory and other legal requirements, at least however for 10 years.
- 7.3 The supplier shall perform an outgoing goods check with due care prior to delivery. Goods that are rejected during such a check may not be supplied. We shall inspect the goods following delivery only in respect of their type (identification review), the quantity and potential damage en route and other obvious defects. Further-reaching inspection is not incumbent upon us. Insofar the supplier waives objecting to violation of the obligation to inspect in accordance with Section 377 HGB (German Commercial Code).

8 Material defects and defects in title

- 8.1 In the event of a material defect or defect in title in respect of the goods, we shall be entitled to the statutory warranty rights and claims without restrictions. In any case, we shall be entitled to request that the supplier provide, at our request, without delay rectification of defects or replacement delivery. All costs and expenses that we incur in conjunction with the subsequent performance shall be borne by the supplier. We expressly reserve the right to claim for damages instead of performance.
- 8.2 We are entitled, at the supplier's cost and irrespective of its liability for defects, to rectify the defects or call on the services of third parties in that respect, in the event of imminent danger or particular urgency and if, for one of these reasons, the request in respect of rectifying defects is not possible by way of setting a period for the supplier. In such a case, we shall notify the supplier of the corresponding defects where possible and acceptable. Special urgency may be deemed given, in particular, to avoid a band standstill that generates costs in the further production chain.
- 8.3 The period of limitation for warranty claims is 36 months following the delivery of goods. Where a longer limitation period applies by law, such a longer period shall apply. Newly delivered goods or repaired goods based on the rectification of defects shall be subject to a period of limitation that shall start afresh of 24 months. If the originally valid, remaining period is longer, that period shall apply.
- 8.4 Our rectification of defects provided within the period of limitation shall suspend the limitation period up until we and the supplier have reached agreement on rectifying the defect and potential consequences. However, the suspension shall end 6 months after the ultimate rejection of the notification of defects by the supplier. The period of limitation regarding warranty claims shall apply at the earliest 3 months following the end of the suspension, under no circumstances however prior to expiry of the period of limitations in accordance with sub-section 8.3.
- 8.5 Insofar as customers assert means of address against us in the further production chain regarding faulty delivery and the supplier's delivery is faulty, in dealings with the supplier we shall be entitled to recourse in accordance with Sections 478, 479 BGB (German Civil Code) without having to meet the special preconditions of the purchase of consumer goods. The recourse shall apply equally to compensation payments that we make to a customer.

9 Withdrawal, liability and release

- 9.1 Irrespective of other statutory or contractual withdrawal rights, we shall be entitled to withdraw from the contract without any compensation in full or in part, (i) if an application is filed for the institution of insolvency proceedings regarding the supplier's assets (ii) or if the supplier fails to honour key obligations to us without a justifiable reasons (iii) or if other unforeseeable events that are not our responsibility significantly change the basis of the contract entered into with the supplier.
- 9.2 The supplier shall be liable to us, in particular for compensatory damages, without restrictions in accordance with the statutory provisions. Such liability comprises potential consequential damage sustained by Inovan and its customers and damage resulting from product liability including damage resulting from conducting recall campaigns.
- 9.3 Irrespective of our other claims, the supplier shall render us exempt at the first request from any claims for damages by third parties, in particular claims resulting from product and producer's liability insofar as these are asserted against us on the basis of a cause within the supplier's sphere of control and organisation, and the third party could, instead of asserting such claims against us, ultimately assert them against the supplier. The exemption includes, in particular, the warding off of unjustified claims, compensation for potential expenses that we incur and costs in conjunction with re-call measures. Inovan shall inform the supplier in advance where possible and acceptable.

9.4 The supplier undertakes, for the term of the business relationship, to take out insurance with appropriate cover against risks resulting from a disrupted performance relationship, and therefore provides cover worldwide for the re-call risk of faulty goods. The supplier undertakes, at our request, to furnish proof of the scope and confirmation of the insurance in a suitable manner.

10 Property rights

10.1 The supplier guarantees that no third party rights shall be violated in conjunction with its delivery and that no ownership or other property rights apply to the goods that can have a detrimental effect on, or exclude, the use of such goods by use.

10.2 If legal action is brought against us by a third party, the supplier undertakes to guarantee the use of the product to be manufactured by us for our customer, where applicable in a manner which, at the supplier's discretion, alters the parts violating the property rights or which replace the parts with parts that are free of property rights. The supplier shall be liable to us for any damage, in particular by way of compensation claims by customers or other third parties that arise on the basis of violation of a property right by the proposed use of the goods.

10.3 The supplier shall render us exempt at the first request from any potential third party claims, based on violation of a property right, which are asserted against us or from which we for our part are required to render our customers exempt. The supplier is not entitled to enter into any agreements, such as a composition agreement, with the third party without our approval.

10.4 The supplier's obligation to render us exempt applies to all expenses that the buyer incurs as a result of or in conjunction with the action brought by a third party.

10.5 The period of limitation is 10 years starting from the time at which the respective claim arises.

10.6 We reserve the right to all property, utilisation, registered design, patent, brand, copyright, personality and other property rights, in particular to the diagrams, drawings and other documents, design, design proposals, templates, work documents, forms, copyrights, know-how and calculations, and to software, made available by us in physical or electronic form. The reservation of rights stated in sentence 1 applies, in particular, to all our documents that are marked "confidential".

11 Conventional penalty

11.1 In the event that the agreed delivery date is culpably exceeded, the supplier shall pay, for each delayed delivery to us, a conventional penalty in the sum of 0.5 % of the net price of the delivery for each week that commences in which the exceeded delivery date applies, at most however 5 % of the net price of the delivery. This does not apply insofar as Inovon is responsible for the delay.

11.2 We may also impose the conventional penalty stated above in sub-section 11.1 if a reservation is not applied in the case of the acceptance. However, we may only impose the conventional penalty beyond the final payment of the delivery if we reserve the right in that respect in the case of the final payment.

11.3 Conventional penalties that may be brought about in accordance with sub-section 11.1 may be imposed as a minimum amount of the damage that is due regarding the same violation of an obligation. Asserting a claim for further-reaching damage is not excluded. However, we shall credit paid conventional penalties.

11.4 The sub-sections 11.1 to 11.3 shall apply accordingly in the case of exceeding the agreed delivery date involving a part of the due delivery.

12 Export control

- 12.1 The supplier undertakes in dealings with the buyer to comply with all applicable national, European and US American export control requirements, including all European or US American sanctions lists and other embargoes against persons (jointly "Export Control Requirements").
- 12.2 The supplier undertakes in dealings with the buyer to provide unsolicited notification, by way of stating the specific AL or ECCN number in the event that the goods to be supplied, or their elements, are stated in the export list, the Annexes I and IV or the CCL.
- 12.3 The supplier undertakes to notify the buyer without delay in writing of all circumstances of which it gains knowledge after entering into the contract that give reason to assume a possible or actual violation of the Export Control Requirements. In the event that the buyer identifies circumstances, after entering into the contract, which give reason to assume a possible or actual violation of the Export Control Requirements, the buyer shall notify the supplier of this in writing.
- 12.4 In any case in which knowledge is gained of circumstances that give reason to assume a possible or actual violation of the Export Control Requirements, acceptance default on the part of the buyer is to be excluded for a reasonable period to give the buyer the opportunity to review the circumstances.
- 12.5 If actual violations of the Export Control Requirement are identified or cannot be ruled out, the buyer may, at its discretion, withdraw from the contract or request the cancellation of the partial deliveries that justify the assumption of a violation.
- 12.6 The supplier undertakes to render the buyer exempt from any damage that arises from the faulty or failure to honour the supplier's obligations resulting from this sub-sections and its subparagraphs. The scope of the damage to be compensated also comprises the compensation for all required and reasonable expenses that the buyer incurs, in particular the cost of and disbursements for administration fines and penalties.

13 General contractual bases

- 13.1 Birkenfeld is deemed the place of performance and payment for all deliveries and services, and for payments.
- 13.2 Assigning receivables resulting from the supplier relationship shall be subject to our express approval.
- 13.3 The supplier undertakes to comply with the content of Inovon's Code of Conduct, which is published at www.inovan.de.
- 13.4 The supplier shall comply with applicable local law in respect of minimum wages and social security benefits. The remuneration for normal working hours and overtime corresponds at least to the statutory minimum or the industrial minimum standards depending on whichever amount is higher.
- 13.5 The supplier acknowledges the Supplier Code of Conduct of the Prym Group and shall act in accordance with that code.
- 13.6 In the event of the invalidity of individual contractual provisions, this shall not affect the validity of the other provisions. The parties are to replace the invalid provision with a legally valid regulation that comes closest to the economic essence and purpose of the invalid provision.
- 13.7 Neither a signature signed in a party's own hand nor an electronic signature shall be required to honour the written form requirement. Notifications by fax or e-mail shall be deemed sufficient, similarly other text forms, without the necessity of making specifically marking the conclusion of the statement.

- 13.8 If the contracting parties are merchants, our principal place of business in Birkenfeld is deemed the place of jurisdiction for all legal disputes. However, we are entitled to bring legal action at the supplier's principal place of business too or before other courts with jurisdiction on the basis of German or foreign law.
- 13.9 Solely the authoritative law of the Federal Republic of Germany that is applicable to the legal relations of domestic parties shall apply to any legal relations between us and the supplier by way of exclusion of the United Nations Convention on the International Sale of Goods (UN Sales Law/CISG) dated 11 April 1980 as stated in the respective, valid version.