

PURCHASING AND PAYMENT TERMS

1. GENERAL / SCOPE OF APPLICATION

Our purchasing and payment conditions shall be valid for all orders and contracts (paid labor, contracted work, etc.). Purchasing, payment, and delivery conditions of suppliers receiving contracts from us shall not be binding for us insofar as they differ from these conditions. Our silence with regard to such differing conditions, especially where such conditions would exclude our own, shall not be considered acceptance of them.

Our purchasing conditions shall remain in effect, even if we accept a delivery from a supplier despite differing or contradictory conditions.

The contractual partner hereby undertakes to treat any and all commercial or technical information, as well as confidential information, especially that associated with patent law, which shall become known to it in the course of the business relationship, as a trade secret.

We hereby assume the right to save, transfer, and process data pertaining to the contractor in the due course of our contractual relationship.

2. ORDERS

Both purchase orders and order acceptance shall require the written form. If the contractor does not accept the order within three weeks of delivery, we are entitled to cancel the order.

The contractor shall be obligated to provide contractual services and deliveries using the newest, state of the art technology, as well as to adhere to appropriate technical norms and safety regulations, and to agreed-upon order details such as quantities, types, weights, sizes, quantities, packaging, shipping regulations, etc. Contractors shall not be reimbursed for preparation of a quote or cost estimate for services provided.

We reserve the right to change order quantities. In case of a deviation in quantity, the standard prices defined in the order shall be in effect. If an order is cancelled, the contractor shall be required to halt work immediately. Claims for compensation shall only be recognized if the contractor can prove beyond doubt that services have already been provided, and that said products or services cannot be sold to another party.

Drawings, models, tools, etc. that we provide to the contractor or purchase for the contractor shall remain our unrestricted property. Changes to equipment or tools shall only be made with our express written consent. The contractor is hereby obligated to treat our property in an appropriate manner, to store it free of cost, and to insure it against loss or damage. If the contractor should experience technical problems while attempting to complete our order, it shall inform us of said problems in advance, or immediately upon detection.

3. DELIVERY

The delivery deadlines prescribed by us shall be considered binding, unless we receive written notice to the contrary. The contractor shall strictly observe agreed-upon delivery deadlines or will-call dates, or dates determined subsequently, to the date and hour. The contractor shall moreover inform us immediately upon becoming aware of any delay in delivery. Partial

deliveries shall require our approval. In the case of a delay in delivery, the supplier shall bear any additional costs for expedited shipment. Furthermore, the contractor shall also be liable for any breaches of duty (i.e. non-compliance with delivery deadlines) within the framework of legal stipulations (with-drawal from contract, demands for compensation, etc.).

If not otherwise expressly agreed, deliveries shall be made to the location provided by us using the least expensive shipping method available. In case of an agreement for delivery ex works, goods shall be transferred to a carrier named by (commissioned by) us promptly and in a state ready for shipment. In case of an "ex works" delivery, the carrier shall be informed that we are "SLVS Vorzichskunde" (exempt from mandatory freight forwarder's insurance).

If required, loading equipment shall be made available free of charge. Each delivery shall be accompanied by a delivery receipt including exact information on quantities, types, sizes, weights, qualities, and order numbers for goods delivered. A shipment requiring cash on delivery shall only be possible with our prior written consent. Risk shall be transferred to us only upon our receipt of delivery or when goods are delivered to the location specified by us – even in cases where the parties agree upon delivery ex works or if we are responsible for shipping costs.

4. CONDITIONS

Agreed prices shall be determined as fixed prices for goods designated as belonging to an order. Ancillary costs, such as packaging costs, insurance premiums, and customs duties, shall be born by the supplier. Any price increases which occur between the time an order is placed and when it is delivered shall be disclaimed. Subsequent decreases in price must be confirmed by us in writing.

5. INVOICES AND PAYMENTS

All invoices must conform fully to the provisions of §§ 14 and 14a UstG (Value Added Tax Act), and are, if not otherwise agreed, to include the order number, contract number, procuring entity, date delivery time, and place of delivery. Invoices in foreign currencies require our approval. If not otherwise agreed, invoices shall be settled either within 14 days following our receipt of a good or service, accompanied by the invoice for said service, less a 3% discount for early payment, or after 30 days for the net amount, at our discretion. Fees for international transfers shall be the responsibility of the payee. In case of inaccurate deliveries / services, we are entitled to reserve payment pro rata until proper fulfillment of the order. Assignment or pledging of accounts in whole or in part to a third party shall only be permitted with our written approval. In order to protect all our rightful claims against the contractor, we shall have the right of retention for all goods provided by it.

6. COMPLAINTS AND DEFICIENCIES

We will inform the contractor of any deficiencies ascertained promptly and in writing as soon as they are recognized. Any deficiencies that are not immediately recognizable, however, entitle us to subsequent claims. Rejection rates shall not be authorized. If it is not possible for us to review delivered quantities and qualities accurately, this shall be the responsibility of the supplier. A receipt stating quantities delivered

shall not be binding for us in such cases. In case of deficiencies, we can either request a repair of deficiencies, a conversion, or a replacement delivery free from deficiencies, at our discretion. Return shipping of rejected goods shall occur at the supplier's cost. Replacement deliveries shall be made free of shipping or handling costs. Acceptance of goods shall not affect the validity of any other conditions. Furthermore, legal regulations shall also apply. The statute of limitation for legal violations and material defects shall be 36 months, beginning upon transfer of risk.

7. PRODUCT LIABILITY - INDEMNITY

Insofar as the supplier is responsible for a product defect, it is obligated to indemnify us from claims for damages from third parties upon initial request, provided that the cause lies within its control or organization, and provided that it is also liable to third parties.

8. WITHDRAWAL

In cases of force majeure, we have the right to withdraw from the order or to change the time of delivery, without this entitling the contractor to make any claims. We shall be freed from our performance obligations for the duration of the disruption and within the scope of its effect, even in case of default. Strikes, lockouts, and other circumstances that make it difficult or impossible for us to fulfill our duties shall be considered equivalent to a force majeure. Correspondingly, the same shall also apply if a delivery cannot be made to our customers because of a force majeure. Items may only be stored at the cost of the purchaser with its approval. We are furthermore entitled to withdrawal if we become aware that the contractor's financial situation appears to endanger proper delivery of goods.

9. INDUSTRIAL PROPERTY RIGHTS

The supplier hereby guarantees that no third-party rights are violated in conjunction with its delivery.

10. TRANSFER OF ORDERS

The contractor shall be fundamentally responsible for fulfilling orders itself. Transfer of an order, even if the contractor delivers the order in its own name, shall only be possible with our written approval.

11. PLACE OF JURISDICTION, APPLICABLE LAW AND PLACE OF FULFILLMENT

The place of jurisdiction, including for processes relying on documentary evidence, claims arising from a bill of exchange, and assertions of claims concerning payment of a check, shall be Stuttgart. The law of the Federal Republic of Germany shall apply exclusively. We shall also be entitled to file suits in the contractor's legal jurisdiction. The place of fulfillment shall be the location of our registered company office.

12. FINAL PROVISIONS

If a provision of this contract shall be or become invalid, this shall not affect the validity of the remaining provisions. The parties hereby undertake to replace the invalid provision with a regulation that comes as close as possible to its intended economic effect.