General Terms and Conditions of Purchase of Sedus Systems GmbH - As of July 2015 –

1. General Provisions

1.1 These Terms and Conditions of Purchase apply exclusively to all - including future - purchase orders and assignments issued by Sedus Systems GmbH unless otherwise agreed. We do not recognise the conditions of the supplier or service provider (hereinafter uniformly referred to as "Supplier") which conflict with or differ from these Terms and Conditions of Purchase unless we have given our express written consent to their validity.

1.2 Oral ancillary agreements made on conclusion of the Contract, and contractual amendments following conclusion of the Contract, are only valid with our written confirmation.

1.3 With regard to our business dealings with the Supplier, fax and email are deemed by both parties to be written documents.

2. Conclusion of the Contract, Performance

2.1 Framework contracts, transactions, orders, delivery plans, delivery schedules and any changes or additions thereto must be in writing in order to be valid. The same applies to any cancellation of the requirement for the written form.

2.2 The Supplier is obliged to confirm issued purchase orders, in writing, within five working days from the order date otherwise we shall be entitled to revoke the order without this giving rise to any basis for a claim on the part of the Supplier. Delivery dates contained in call-off schedules shall become binding if there is no objection from the Supplier within three working days of receipt, at the latest.

2.3 Transferring or subcontracting the delivery of ordered goods or services (hereinafter uniformly referred to as "Deliveries"), in whole or in part, to third parties requires our prior written consent. Such consent may be revoked for good cause.

2.4 Our drawings, specifications, order specifications, prescribed quality, designs etc. are binding upon the Supplier. The Supplier warrants that every Delivery complies with these requirements and shall provide suitable documentary proof of this on request. Deviations are only permitted with our written consent.

3. Delivery, Delivery Period and Delay, Transfer of Risk

3.1 The delivery periods stipulated in the contracts, transactions, orders, delivery plans and call-off schedules are binding upon the Supplier. Compliance with the delivery period is determined by the date on which goods are delivered to us and/or to our shipper. Agreed acceptance dates are also binding. The agreed acceptance date is deemed to have been complied with where a person, authorised by us, confirms successful acceptance in writing, e.g. by signing the acceptance certificate.

3.2 The Supplier is obliged to notify us forthwith, in writing and stating the reasons and likely duration of any delay, where circumstances arise or become apparent which mean that the agreed delivery period cannot be met.

3.3 Where the Supplier fails to effect performance or delays in effecting performance, our rights - particularly the right to rescission and damages - shall be determined according to the statutory provisions.

3.4 Partial deliveries are only permitted with our prior written consent.

3.5 Where the Supplier effects partial delivery without our prior written consent, e.g. where the Supplier defaults on delivery dates under framework contracts, we are entitled, if partial performance of the purchase order is of no interest to us, to rescind the entire contract and claim damages in lieu of performance. Insofar as we nevertheless accept late delivery, all additional costs incurred as a result of the delay shall be reimbursed and acceptance shall not constitute any waiver of our additional statutory rights.

3.6 Subject to any evidence to the contrary, the values determined by us during the goods incoming inspection pursuant to Clause 5.2 shall be authoritative with regard to number of pieces, weight, size and such like.

3.7 The place of performance for Deliveries by the Supplier shall be the address indicated in the purchase order. Where there is no such indication, the address of Sedus Systems GmbH in Geseke is deemed to be the place of performance.

3.8 Force majeure or similar unforeseen, unavoidable events for which we are not responsible, such as e.g. industrial disputes and operational disruption, shall entitle us to require a reasonable adjustment to the Contract or an exemption from our obligation to accept delivery, without prejudice to our additional statutory rights.

3.9 The Supplier undertakes to attach one copy of the delivery note to every shipment. Delivery notes must contain the order number indicated on the purchase order, the order date, part numbers and part names.

3.10 The goods to be delivered must be packaged as is customary in the trade or, on request, specially packaged in accordance with our instructions. The Supplier shall observe the requirements of the respective carrier, shipper or freight forwarder. The Supplier shall be liable for any damage caused as a result of inadequate packaging.

3.11 Replacement deliveries under warranty shall take place free of freight and packaging costs and shall be newly invoiced by the Supplier at the original unit price following cancellation of the original invoice or issue of a credit note in respect thereof.

3.12 Goods which do not comply with the contract shall be returned ex Works excluding packaging. We will charge the Supplier for the value of the returned goods, as well as freight and packaging costs, insofar as they have not been cancelled or credited.

3.13 Unless otherwise agreed in writing, the risk of the accidental destruction or deterioration of the goods shall pass to us in accordance with DDP delivery address (Incoterms® 2010). This also applies if, in the exceptional case, we deploy our own transport provider. The delivery address is indicated in the purchase order. Where an acceptance procedure has been agreed or is required by law, the risk shall pass to us on successful acceptance by the person authorised by us in this regard.

4. Price and Payment

4.1 Unless otherwise provided, the agreed prices are fixed prices including packaging, subject to VAT at the rate applicable on invoicing, and are DDP delivery address (Incoterms® 2010).

4.2 In the absence of any special agreement, the invoice shall be paid, subject to 3% discount, within 30 days which shall start from full completion of the order, but in any case not before the date of receipt of the invoice. Payment periods shall not begin prior to the agreed delivery date.

4.3 A separate invoice shall be issued for each order and one copy sent to our address. It must contain the relevant order number, part name and part number. It must not be attached to a shipment.

4.4 The Supplier is not entitled to assign its claims against us to a third party or arrange collection by a third party; this shall be without prejudice to the Supplier's right to assign the claim to its main bank.

4.5 The Supplier is not entitled to set counter-claims off against our claims unless they are undisputed or established by a final court judgement.

5. Warranty, Product Liability

5.1 In the case of defects, our statutory rights apply without limitation.

5.2 The Supplier is obliged to carry out a goods-outgoing inspection. Following receipt of the goods, we will examine them for obvious defects, as to identity, incorrect delivery quantity and any damage which may have occurred during transport. There is no further duty to effect examination of the goods. We will notify the Supplier of any defects without delay following their discovery. In this regard, the Supplier waives the right to a defence based on late notification of defects. This goods-incoming inspection shall not apply if an acceptance procedure has been agreed or is required by law.

5.3 Acceptance or approval of submitted prototypes or samples shall not constitute a waiver of our rights under warranty.

5.4 Receipt by the Supplier of the written notification of defects shall suspend the limitation period for claims under warranty. In the case of replacement delivery and rectification of defects, the limitation period shall start anew in respect of the replaced or rectified parts.

5.5 The limitation period for claims under warranty is calculated according to Sections 438 and 634a German Civil Code (BGB) as from the date on which risk passes or from acceptance. The limitation period for defects in production components begins with delivery of the Sedus product to the end-user (but in any case no later than 12 months after the risk has passed to us). Sections 478 and 479 BGB shall remain unaffected by this.

5.6 Where, as a result of defective delivery, it is necessary to carry out an overall check, over and above the goods-incoming inspection pursuant to Clause 5.2, the cost of this shall be borne by the Supplier. The measures will be discussed with the Supplier. In urgent cases (e.g. to avoid production stoppages) we shall be entitled, without granting the Supplier an extension of time for performance, to rectify any defects ourselves, at the cost of the Supplier. The Supplier bears the cost and risk of the return delivery of defective delivery items. The aforementioned rights shall be subject to the usual limitation period under Sections 195 and 199 BGB.

5.7 In the event that customers or other third parties bring claims against us under product liability law, the Supplier shall indemnify us against such claims on first written demand insofar as and to the extent that damage was caused or partly caused by a defect in the product delivered by the Supplier. This does not apply in cases of fault-based liability, however, if the Supplier is not responsible for the breach of duty.

5.8 Where the cause of the damage lies within the Supplier's area of responsibility, proof that the defect was the cause of the damage will suffice; otherwise the Supplier bears the burden of proof.

5.9 The Supplier shall compensate us for the costs and expenses corresponding to its share of causality/blame, including the costs which we incur due to loss prevention measures (e.g. recalls) and litigation; this also applies in the case of identifiable and impending systematic defect.

5.10 The Supplier is obliged to insure itself to a reasonable level against the risk of liability and provide us with proof thereof on request.

6. Intellectual Property Rights

6.1 The Supplier shall be liable for claims arising from the infringement of intellectual property rights and applications for intellectual property rights (Intellectual Property Rights) as a result of the contractually agreed use of the goods where at least one of the family of Intellectual Property Rights has been published by the European Patent Office either in the Supplier's home country or in one of either the Federal Republic of Germany, France, United Kingdom, Austria or USA.

6.2 The Supplier shall indemnify us and our customers against all claims arising from the use of such Intellectual Property Rights.

6.3 This does not apply insofar as the Supplier has manufactured the goods according to drawings, designs or equivalent descriptions or specifications provided by us, and does not know, or, in connection with the products which it has developed, is not required to know that Intellectual Property Rights have been infringed as a result.

6.4 Insofar as the Supplier is not liable under paragraph 6.3, we hereby indemnify it against all third-party claims.

6.5 The Parties undertake to advise each other without delay of any infringement risks and alleged instances of infringement of which they become aware, and to allow each other the opportunity to counter such claims by mutual agreement.

6.6 At our request, the Supplier shall notify us of the use of published and unpublished Intellectual Property Rights - its own and licensed - pertaining to the delivery item.

7. Tools (including moulds, dies and such like)

7.1 Tools which we lend to the Supplier for the purpose of executing an order shall remain our property and must be identified as such by the Supplier on the tools themselves and in the accounts.

7.2 Tools for use in the manufacture of the goods to be delivered to us, and which are manufactured by the Supplier at our behest, shall become our property on approval of the reference samples and must be identified as such by the Supplier. Unless otherwise agreed, the full tooling costs will be paid, strictly net, by us within two weeks of approval of the reference samples and first released series delivery. For the purposes of the transfer of title, it is agreed that, in lieu of the handover of the tools, we are providing the tools on loan to the Supplier for the manufacture of parts on our behalf. The duration of the loan shall be determined according to the duration of the contract relating to delivery of the parts which are manufactured using the respective tool. On termination of the loan of the tools, we can choose either to have the tools returned to us or to a third party (together with accessories, spare parts, servicing documents, design drawings and such like); to have continued storage of the tools on our behalf (with the obligation to keep them in a usable condition and to recommence production of the parts, on request, on a date to be determined by us); or to have them made unusable (scrapped).

7.3 The Supplier declares that the tools are unencumbered by third-party rights. In particular in the case of seizure or attachment, the Supplier must notify us without delay and inform the third party of our rights of ownership.

7.4 Unless otherwise agreed, the Supplier shall maintain and repair the tools at its own expense for the duration of the agreed tool life. Irrespective of the tool life, these costs must always be borne by the Supplier where they result from the improper use of the tool by the Supplier, its employees or other agents involved in contractual performance.

7.5 The Supplier shall bear the risk of destruction, damage and theft of the tools and undertakes to insure them at the value as new at its own expense against damage by fire, water and burglary.

7.6 The identification of the tools under Clauses 7.1 and 7.2 of these Terms and Conditions must be clearly visible and permanent, e.g. engraved.
The duty to identify tools also applies retroactively to tools which are owned by us and were already in the Supplier's possession prior to entry into force of these Terms and Conditions.

7.7 All of the Supplier's obligations under Clause 7 of these Terms and Conditions shall remain unaffected even where delivery of goods and services is transferred or subcontracted in whole or in part to third parties (Clause 2.3).

8. Provision of Materials

We shall retain title to materials and parts provided by us. They can only be used in accordance with regulations. The processing of materials and assembly of parts takes place on our behalf. It is agreed that we are co-owners of the product manufactured using our materials and parts in a ratio of the value of the materials provided to the value of the product as a whole, which in this respect is being held by the Supplier on our behalf. The Supplier shall pay compensation in the event of any loss or damage.

9. Spare Parts After End of Mass Production

The Supplier undertakes to supply us with spare parts, at fair market prices, for a period of at least 7 years, even after mass production deliveries have ceased. For a period of 6 months from the end of mass production deliveries, our spare parts requirement shall be covered in accordance with the same terms and conditions as those applicable to mass production deliveries ("Interim Cover"). We will endeavour to achieve final cover for the period after expiry of the seven years.

10. Confidentiality

Documents of all types, such as samples, drawings, designs, data and such like, as well as any other items and information provided by us, must not be made available to third parties unless clearly designated as being for the public domain. Such documents are and remain our property and must be returned to us, free of charge and without further request, as soon as they are no longer needed for the purposes of executing delivery.

11. Data Protection

The Supplier agrees that its company-specific data, sent to us within the framework of the business relationship, will be stored and automatically processed by our IT system.

12. Performance of Work

Individuals who, in the performance of the contract, carry out work on our plant premises shall observe the provisions of the respective plant regulations. The rules relating to entering and leaving plant premises must be complied with.

13. Corporate Social Responsibility

The Supplier undertakes to comply with the laws of the respective legal system(s); not to tolerate any form of bribery and corruption; to observe the fundamental rights of employees and to comply with the ban on child and forced labour. In addition, it shall take responsibility for the health and safety of its employees in the work place; ensure fair remuneration and working hours; observe laws protecting the environment and, as far as possible, encourage and demand compliance with these principles by its suppliers.

14. Minimum Wage

14.1 The Supplier shall ensure that all persons, whom it deploys in the performance of its obligations, receive the statutory minimum wage, and it shall provide us with evidence of this on request by giving access to or submitting the corresponding documentation on wages and salaries, rendered anonymous where necessary, or other proof indicating proper payment of wages. Insofar as the Supplier uses a sub-contractor in the performance of its contractual obligations, the latter shall be placed under a similar obligation. In the event that an employee or subcontractor of the Supplier brings a claim against us for failure to pay sufficient wages, the Supplier shall indemnify us on first demand.

14.2 Where requested to do so at the time of issue of the purchase order, the Supplier shall provide us with a directly enforceable bank guarantee from a German bank or Sparkasse, amounting to the amount of remuneration likely to arise in respect of the work or services to be performed plus 20% in respect of additional interest and costs, payable on first demand.

15. Jurisdiction, Applicable Law

15.1 The place of jurisdiction is Paderborn. We are also entitled to bring an action in the court with jurisdiction over the Supplier's registered office.

15.2 German law applies. The UN Convention on Contracts for the International Sale of Goods of 11 April 1980 (CISG) shall not apply.

place, date | first name, surname | signature