

Conditions of purchase

As on January 2019

put forth by the company STABIL ELEKTROTECHNIK GmbH (hereinafter referred to as "STABIL")

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1 Scope of application

(1) Our Terms and Conditions of Purchase shall apply exclusively. Conflicting conditions or conditions of the supplier deviating from our conditions shall not be recognised. These terms and conditions of purchase shall also apply in all cases in which STABIL accepts the supplier's deliveries without contradicting his terms and conditions which deviate from these terms and conditions of purchase.

(2) Our Terms and Conditions of Purchase shall only apply to merchants within the meaning of § 310 BGB (German Civil Code).

(3) Our Terms and Conditions of Purchase shall also apply to all future transactions with the supplier.

(4) The following terms and conditions of purchase shall apply to the delivery of movable goods (§ 651 BGB). For services, which also include repairs and service work, the following conditions shall apply with the exception of clauses 4, 5 and 9; the relevant statutory provisions shall apply here.

§ 2 Placing of orders

An order shall only be binding, if it was placed in text form or in writing; orders placed by telephone shall only be binding, if they are subsequently confirmed by STABIL in writing or in text form. An order confirmation by the supplier is not required. Possible further agreements require subsequent confirmation by STABIL, whereby a fax or e-mail is sufficient (text form).

Every order shall be based on these Terms and Conditions of Purchase. If the supplier's general terms and conditions of business conflict with STABIL's terms and conditions of purchase, STABIL's terms and conditions of purchase shall nevertheless apply, if the supplier does not object to them in writing, by fax or by e-mail within 3 days of receipt of the order. The sending of general terms and conditions of the supplier to the contrary or any other reference to the supplier's general terms and conditions shall not suffice. The objection is irrelevant, if the supplier begins with the execution of the order and he informs STABIL of the same. If a quality assurance agreement, a framework agreement or an individual agreement exists between the supplier and STABIL, these shall take precedence in any case insofar as they deviate from the STABIL purchasing conditions or the supplier's general terms and conditions.

§ 3 Terms of payment / prices

(1) Unless otherwise agreed upon in writing, invoices of the supplier shall be paid in net for STABIL within 14 days after receipt of goods and invoice with 2% discount, within 30 days after receipt of goods and invoice.

In all other respects, the due date of payment shall assume a non-defective delivery. The supplier is obligated to send the invoice to STABIL in 2 sets.

The supplier's invoice must include the STABIL order number and, if applicable, the STABIL article number. If the invoice is not available in 2 sets or if the numbers listed above are missing or incorrect, STABIL reserves the right to return the invoice unpaid to the supplier for amendment or correction. In this case, the payment period begins only after receipt of the supplemented or corrected invoice.

(2) The price stated in an order is binding. Unless otherwise agreed upon, the price shall be "CIP" (Carriage and Insurance paid) or "DDP" (Delivered Duty paid) according to Incoterms 2010 including packaging. Changes due to subsequent cost increases are excluded, unless otherwise agreed upon.

(3) STABIL shall be notified immediately in text form of any additional or reduced price arising as a result of changes in execution and of any change in the agreed delivery date. In order to become binding, the respective change must be confirmed in writing by STABIL before production and delivery of the ordered item.

§ 4 Terms of delivery

The ordered item must be delivered in accordance with INCOTERMS "CIP" (Carriage and Insurance Paid to) to the delivery address stated in the order. If the supplier delivers from abroad, the INCOTERM condition "DDP" shall apply. (Delivered Duty Paid). Delivery must be made pursuant to the applicable GGVSEB regulations (Ordinance on the Transport of Dangerous Goods by Road, Rail and Inland Waterways), if applicable. The supplier's delivery documents must show the STABIL order no., and the STABIL article no., the goods no., the part weight and the country of origin, if applicable. If applicable, the supplier shall provide further documents/data in accordance with the requirements of foreign trade.

If delivery conditions in accordance with Incoterms 2010 are agreed, under which STABIL pays for the transport, the transport must be carried out by a shipping company approved by STABIL. Unless otherwise agreed upon, however, the supplier shall notify the shipping company of the shipment. If the shipping agent does not collect the goods as confirmed after notification, the supplier must inform STABIL immediately.

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§ 5 Transfer of Risk / Place of Performance

The risk of accidental loss or accidental deterioration shall pass to STABIL when the ordered item is handed over to the delivery address stated in the order. The place of performance shall be the registered office of the delivery address specified in the order.

§ 6 Delivery Date / Delay in Delivery

- (1) The delivery date stated in the purchase order shall be binding on the supplier.
- (2) If a binding delivery date or a fixed delivery period has been agreed in accordance with clause 1, determined according to the calendar or if the delivery date can be calculated according to the calendar from a specific event (e.g. receipt of the order), the supplier shall be in default even without a reminder.
- (3) If the parties to the contract explicitly agree upon a provision deviating from clause 1 and if the supplier's performance is due, he shall be deemed in default of payment through a reminder of payment from STABIL.
- (4) In the event of default, STABIL shall be entitled to compensation for the damage caused by the default. STABIL shall be entitled to demand a flat-rate damage caused by default amounting to 2.5% of the delivery value per completed calendar week, but not more than 10% of the total delivery value. Further legal claims remain reserved. The supplier may provide evidence that the damage incurred as a result of the delay is lower.

The acceptance of a delayed delivery or service does not constitute a waiver of compensation for the damage caused by the delay.
- (5) If the supplier is granted a reasonable period for subsequent performance, STABIL may withdraw from the contract after the futile expiry of this period and / or demand damages instead of performance.
- (6) Withdrawal does not require fault on the part of the supplier.

§ 7 Obligation to notify defects / incoming goods inspection

STABIL or the direct addressee of the delivery shall be obligated to inspect the goods within a reasonable period of time for conformity between the ordered and the delivered goods, for any deviations in quantity and for externally recognisable damage. STABIL shall immediately notify the supplier of any defects found during this inspection. The supplier shall otherwise release STABIL from any further incoming goods inspection at STABIL. STABIL shall notify STABIL immediately of any other defects which were only discovered during processing or the intended usage of the delivered goods by STABIL. In this respect, the supplier waives the plea of late notification of defects.

§ 8 Description of the ordered item / EU Chemicals Regulation REACH/2011/65/EU (RoHS Directive)

(1) Insofar as the supplier receives drawings, samples, information or other regulations from STABIL, these shall be solely decisive for the type, quality and execution of the item ordered or the service to be rendered. Insofar as STABIL specifies drawing numbers, index of alterations or similar in the order details, the supplier may only manufacture pursuant to these specifications. Drawings not available at the supplier's end shall be requested from STABIL by the supplier. STABIL shall make them available free of charge.

If STABIL requests pattern samples or initial samples, STABIL shall only accept series production started at the same time after STABIL has approved and released the samples or sample series in writing.

The supplier's objections to STABIL specifications must be communicated to STABIL in writing immediately before the start of series production. In such cases, series production may only be started on the basis of a further written instruction by STABIL.

(2) The supplier shall adhere to the recognised rules of technology and the applicable safety regulations for his deliveries. To the extent that the supplier has received drawings, samples or other regulations or documents from STABIL, he shall adhere to them as far as design and quality characteristics of the delivery item are concerned. Changes to the delivery item, an already approved production process or its relocation to another site require timely notification in text form by the supplier and the prior explicit consent of STABIL in the same form.

Irrespective of successful sampling, the supplier must constantly check the quality of the delivery items.

(3) The supplier shall ensure that the requirements of the EU Chemicals Regulation REACH (Regulation (EC) No. 1907/2006, OJ EU dated 30.12.2006) - hereinafter referred to as

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"REACH" - are complied with, and that the pre-registration and registration are both carried out or have been carried out on time. Under no circumstances is STABIL obligated to carry out the (pre-)registration. The supplier is aware that the products cannot be used, if the requirements of REACH are not completely and properly fulfilled.

(4) The supplier shall further ensure that the requirements of the EU Directive 2011/65/EU with CE marking obligation (RoHS Directive) implemented by the Ordinance on the Restriction of the Use of Hazardous Substances in Electrical and Electronic Equipment (ElektroStoffv) - hereinafter referred to as "RoHS" - are complied with. Furthermore, the supplier guarantees that all goods delivered by him - as far as purchased from sub-suppliers - adhere to the requirements of RoHS. In this respect, the supplier shall be deemed to be the manufacturer and shall fulfil all obligations resulting from the RoHS. This particularly applies to any (pre-)registration obligations.

(5) The supplier shall be liable to STABIL for all damages arising from the culpable non-observance of existing statutory provisions in accordance with the above provisions (under para. 3 and 4).

(6) The supplier is aware that the goods cannot be used, if the requirements as per the above-mentioned legal regulations pursuant to paragraphs 3 and 4 are not completely and properly fulfilled.

(7) In fulfilling his contractual obligations, the supplier shall otherwise adhere to all statutory and official regulations with regard to environmental protection.

(8) The supplier shall indemnify STABIL in full against all consequences, in particular damages and any claims of third parties against STABIL, which result from the supplier's culpable breach of adherence or fulfilment to the aforementioned provisions in accordance with Paragraphs 3 and 4 in full or in good time.

§ 9 Warranty

(1) The supplier is informed that the ordered item can also be incorporated into STABIL products and therefore the unrestricted functionality of the ordered item must be guaranteed. In the event that the supplier has not manufactured the ordered item himself, the supplier shall inform the manufacturer or sub-supplier thereof.

(2) For a period of 36 months, beginning with the acceptance of the ordered item, the supplier warrants that it is free from defects, including unrestricted functionality and the agreed quality in particular.

(3) From the time of acceptance, STABIL or the addressee of the delivery has the opportunity to examine the ordered item within the framework of the normal course of business at STABIL's end or at the delivery-addressee's end.

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(4) STABIL shall be entitled to the statutory warranty claims in full. STABIL may demand subsequent performance, either the elimination of the defect or the delivery of a defect-free item.

This also includes expenses arising as a result of the defectiveness of products which arise by combination, mixing or processing of the ordered item.

If STABIL has set a reasonable deadline for the supplier with regard to this, STABIL shall be entitled to unrestricted warranty claims pursuant to §§ 437, 440, 441 BGB after expiry of the deadline, whereby reference shall be made in particular to the right to reduce the purchase price or the right to withdraw from the contract and, to claims for damages instead of performance or instead to the claim to reimbursement of futile expenses in addition to withdrawal from the contract.

Warranty limitations in the supplier's General Terms and Conditions shall not be accepted.

It is agreed that functionality within the meaning of the above conditions only exists, if the relevant accident prevention regulations are also adhered to.

§ 10 Product Liability

(1) Should STABIL be held liable by third parties under a product liability claim, the supplier shall be obligated to indemnify STABIL against any claims for damages within the scope of his own obligation under the Product Liability Act at the first request. This shall also apply to any damage resulting from a recall action.

(2) The supplier undertakes to maintain product liability insurance with a sum insured of EUR 5 million per personal injury / property damage. Upon STABIL's request, the supplier must prove this.

(3) If a recall action or an owner notification program is necessary to comply with a law, a regulation, order or other government requirement or as a safety measure to avoid personal injury, damage to property or death or in case of other field or service actions - the costs, including but not limited to labour, transport and verifiability costs, shall be apportioned on the basis of STABIL's or the supplier's contributory negligence (§ 254 BGB)/co-contributory negligence. STABIL shall inform the supplier - if possible and appropriate - of the content and scope of the recall actions or other field or service actions to be carried out and shall give the supplier the opportunity to comment on them. All other statutory claims shall remain unaffected thereby.

§ 11 Retention of title / Equipment and tools

(1) As far as STABIL provides parts to the supplier, STABIL reserves the right of ownership. Processing or transformation by the supplier shall be carried out exclusively for STABIL. In

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the event of processing or mixing, STABIL shall acquire co-ownership of the new object in the ratio of the value of the parts provided by STABIL to the other processed objects at the time of processing.

(2) The supplier explicitly agrees that parts, equipment and tools owned by STABIL as well as all documents of STABIL shall not be used for the manufacture or design of products for third parties without STABIL's prior written consent or consent in text form.

(3) If the parts, equipment and tools owned by STABIL are damaged or destroyed during the supplier's period of possession, the supplier shall be obligated to pay compensation in the amount of the replacement value. STABIL may demand that these parts be insured against fire, water and theft at the supplier's expense and that these insurances be maintained by the supplier. If necessary, these insurances must be proven to STABIL upon request.

In any case, damage or destruction of the parts must be reported to STABIL immediately.

Upon full payment of the purchase price for the products, the products become the property of STABIL. Any prolonged or extended retention of title of the supplier to delivered products is excluded.

§ 12 Third party rights / industrial property rights

The supplier warrants that all deliveries and services are free from rights of third parties, even if he has referred to such rights upon receipt of the order or later, but nevertheless executes the order.

In particular, the supplier warrants that the delivery of the item ordered does not infringe any industrial property rights of third parties. If STABIL becomes aware of such an infringement or of the rights of third parties, or if claims are asserted against STABIL by third parties directly on account of such infringements, STABIL may demand that the supplier remedy the infringement or the rights of third parties without delay and / or indemnify STABIL against any claims arising from a possible infringement or claim by third parties. If STABIL has set the supplier a reasonable deadline for this, STABIL may withdraw from the contract after expiry of the deadline and, in the event of fault on the part of the supplier, demand damages instead of performance or reimbursement of futile expenses.

§ 13 Preparatory work

Even if an order is not placed, the elaboration of drafts, evaluations, calculations, offers etc. is free of charge for STABIL, unless otherwise agreed upon.

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§ 14 Confidentiality

The supplier is obligated to treat all illustrations, drawings, evaluations and other documents and information made available to him as strictly confidential and to keep them secret. All documents are the exclusive property of STABIL. Business and company secrets may only be disclosed to third parties with the prior explicit consent of STABIL.

This obligation to maintain secrecy shall also apply after termination of the respective supply contract. In particular, the supplier shall not use the knowledge for own production or for deliveries to rival companies of STABIL. STABIL reserves all rights in this respect (including the case of a patent or utility model registration for new features).

§ 15 Assignment to third parties / subcontractors

(1) The assignment of claims or other rights of the supplier to third parties is excluded without the prior written consent of STABIL.

(2) The same shall apply to the transfer of orders placed by STABIL with the supplier to third parties / sub-contractors.

STABIL shall not unreasonably withhold its consent to this.

§ 16 Place of performance / Jurisdiction

(1) The place of performance shall be the registered office of STABIL or the agreed delivery address.

(2) The place of jurisdiction for all obligations arising from this contractual relationship shall, to the extent permitted by law, be either the Kirchheim/Teck District Court or the Stuttgart Regional Court, depending on the subject matter. STABIL shall also be entitled to institute legal proceedings at the supplier's business headquarters as well as at any other permissible place.

§ 17 Provider identification

Comprehensive information about STABIL, such as the complete company name, address, commercial register number, sales tax ID number and more can be obtained from our website at www.stabil-elektrotechnik.com/de/unternehmen.

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§ 18 Applicable Law / Contract Language

- (1) All legal disputes arising directly or indirectly from the contractual relationship shall be governed by the laws of the Federal Republic of Germany.

- (2) The provisions of the "United Nations Convention on Contracts for the International Sale of Goods (CISG)" are excluded.

- (3) The contractual language shall be German.

§ 19 Partial invalidity

Should individual provisions of these Terms and Conditions of Purchase be or become invalid, this shall not affect the validity of the remaining provisions. Ineffective provisions shall be replaced by effective provisions that come closest to their purpose.

Kirchheim, January 2019