

PURCHASING CONDITIONS

1. SCOPE OF APPLICATION

- 1.1. Any purchases and other orders that Marquardt GmbH, or companies connected to Marquardt GmbH according to § 15 AktG (hereinafter referred to as Marquardt), concludes with the Supplier specified in item 1.2, even future purchases and orders shall be exclusively based on the present Purchasing Conditions. Marquardt will not accept any Supplier provisions to the contrary or other Supplier conditions not contained in the Marquardt Purchasing Conditions. The Marquardt Purchasing Conditions shall also apply, if Marquardt accepts the delivery of the Supplier without any reservation fully aware of any other Supplier provisions to the contrary. Deviations from the present Purchasing Conditions shall only be valid, if confirmed in writing by Marquardt.
- 1.2. The Marquardt Purchasing Conditions shall only apply for persons who upon conclusion of the contract act as entrepreneurs independently engaged in a trade or business.

2. PURCHASE ORDER

- 2.1. Supply contracts (order and acceptance of such order) and forecast delivery schedules as well as any alterations or supplements thereof shall be in writing to be valid. Orders given by electronic data interchange are also accepted.
- 2.2. In case the Supplier does not accept the order within two weeks upon receipt, Marquardt shall have the right to cancel such order. Forecast delivery schedules shall be binding, if not rejected by the Supplier immediately upon receipt.

3. PAYMENT, INVOICE AND DELIVERY NOTE

- 3.1. Payment shall be made by bank transfer or check and, unless otherwise specified, until the 30th of the following month with 3% discount or within 60 days net. Payment periods shall commence from the date of delivery and receipt of invoice.
- 3.2. In case of premature deliveries payment shall be made according to the agreed delivery dates.
- 3.3. In case of defective deliveries Marquardt shall be entitled to withhold an appropriate amount until delivery has been duly performed.
- 3.4. The Supplier shall forward the invoice principally in a single executed copy to the plant to be supplied, without any reservation fully aware of any other provisions to the contrary notified to the Supplier. The invoice shall quote the following data: number and date of purchase order resp. assembly schedule, additional data of the purchaser (account assignment), tax number or VAT registration number of Supplier, unloading point, number and date of delivery note, invoice number and article number.

4. INCOMING INSPECTION, NOTICE OF DEFECTS

- Marquardt shall notify the Supplier immediately about any goods found defective in material or workmanship or otherwise not in conformity with the requirements of the order, as soon as such defects have been discovered in the ordinary course of business. Marquardt shall inspect the goods upon receipt only for identity, quantity and damage occurred during transport and clearly to be seen on the packaging. In so far the Supplier waives his right to object to delayed or failed inspection or to file a complaint.

5. NON-DISCLOSURE

- 5.1. Neither party hereto shall disclose or make available in any form whatsoever any commercial and technical data gained during their business relationship unless such data are part of the public knowledge or domain even beyond the contract period. The duty to observe secrecy does not refer to circumstances that do not require secrecy and ends in any case as soon as these circumstances become public knowledge.
- 5.2. Subcontractors shall be committed accordingly.
- 5.3. Each party hereto may use the established business relationship for advertising purposes only after having obtained previous written consent from the other party.

6. DELIVERY DATES AND PERIODS, PLACE OF PERFORMANCE

- 6.1. The delivery dates and periods agreed upon shall be binding. Compliance with such dates and periods shall be determined by the date the goods arrive at the respective unloading point to be supplied.
- 6.2. The Supplier undertakes to notify Marquardt immediately in writing of circumstances that occur or become known to him which are expected to cause a delay in delivery. In the event of delays due to force majeure or any other impediments to performance that are not due to the fault of the parties hereto, each party hereto shall have the right to withdraw from the contract, if a continuing contractual obligation is intolerable for him under consideration of the circumstances given. Termination of the contract does not imply any claims for the other party hereto.
- 6.3. In order to ensure fulfilment of his obligations of furnishing and performing deliverables hereunder, Supplier shall pay a contractual penalty of 0.25 % of the order value per completed working day of the delay (without Saturdays), however not more than 5 % of the total order value. If the delay only concerns a functionally definable part of the deliverable to be performed that is not required for the intended use of the remaining part, the contractual penalty is calculated on the basis of that part of the order value performed in delay. This applies accordingly, if the delay ends at different times. The order value always includes the sales tax. Marquardt can express a reservation of the contractual penalty within one week as of delivery of the goods. Assertion of higher damages and any other rights remain unaffected; the contractual penalty paid shall, however, be credited against the claim for damages.
- 6.4. The place of destination specified by Marquardt in the order (unloading point) shall be the place of fulfilment for all deliverables furnished and performed by the Supplier.

7. QUALITY AND DOCUMENTATION

- 7.1. Concerning his deliveries Supplier shall comply with the state of the art, the relevant safety regulations and the specified technical data. Any and all modifications of the goods to be furnished hereunder, no matter whether deemed to be important for its later use by Supplier, are subject to the prior written consent of Marquardt. Supplier shall permanently control the quality of the goods delivered. The parties hereto will inform each other of possible quality improvements.
- 7.2. For materials that on account of laws, regulations and other provisions or due to their composition and effect on the environment need a special treatment as to packaging, transport, storage, handling, trade restrictions and waste disposal, the offer furnished by Supplier to Marquardt shall be accompanied by a safety data sheet filled in, the data sheet required for possible resale abroad and the respective accident leaflet (transport). In case the materials or the legal situation change, Supplier will provide Marquardt with updated data sheets and leaflets.

8. RIGHTS IN CASE OF DEFECTS

- 8.1. In case of defects in material and workmanship Marquardt shall have the pertinent statutory rights and the claims/rights specified in items 8.2 to 8.4. If the deliverables furnished or performed hereunder exhibit any defects within six months from the day of the passing of the risk, it shall be assumed that the deliverables have already been defective when the risk was passed, unless this assumption conflicts with the type of deliverable or defect. If Supplier granted warranty, the rights resulting from this warranty shall be added to the rights in the event of defects.
- 8.2. In very urgent cases Marquardt may, upon prior coordination with Supplier (i.e. after having clarified whether Supplier himself is able to do so), accomplish the rework or repair itself or have it done by a third party. Any costs resulting therefrom shall be borne by Supplier.
- 8.3. If the same deliverables are repeatedly furnished or performed with defects of material and workmanship Marquardt shall be entitled to rescind the contract also with respect to the deliverables not yet furnished, if, after notification, Supplier has again delivered defective goods.
- 8.4. If Marquardt discovers a defect only after treatment or processing has started on schedule or the goods have been supplied to the customer and if Marquardt complied with item 4 (notice of defect), Marquardt is, if appropriate, in addition to the right stated in item 8.1, entitled to claim damages for additional expenditure.
- 8.5. Claims based on defects lapse after three years upon delivery of the final product. The statutory provisions of interruption and recommencement of the limitation period shall not be affected.

9. LIABILITY

- 9.1. According to statutory provisions Supplier shall be liable for any damage caused to Marquardt by providing defective services or by non-fulfilment of his contractual obligations. As far as Supplier is held liable for a damage resulting from a defective product, Supplier shall hold Marquardt free and harmless of any claims for damages of any third parties as far as they are caused under his control and organization and he is liable himself towards third parties.
- 9.2. Supplier undertakes to maintain a product liability insurance of an insured sum that is adequate to the risk. Any claims for damages above this insured sum shall remain unaffected.

10. RIGHTS IN CASE OF TITLE DEFECTS (ESPECIALLY INFRINGEMENT OF INDUSTRIAL PROPERTY RIGHTS OF THIRD PARTIES)

- 10.1. In the event of a title defect Marquardt shall be entitled to the pertinent statutory rights.
- 10.2. The period of limitation for claims resulting from title defects for deliveries of movable property shall be as of delivery
 - a) 30 years, if the defect resides in third parties' rights in rem on account of which return of the purchased good can be demanded.
 - b) in the other cases: five years, however, not more than two years, as soon as Marquardt has got knowledge (or has grossly negligently not known) of the circumstances justifying the rights resulting from title defects.

11. USE OF MANUFACTURING EQUIPMENT AND CONFIDENTIAL INFORMATION

- 11.1. Models, molds, templates, samples, drawings, sketches, tools, data carriers and other manufacturing equipment, especially confidential information and engineering data provided to Supplier upon Marquardt's request or fully paid by Marquardt, shall not be passed on to third parties without Marquardt's written consent. Marquardt shall reserve any and all property rights, copyrights and industrial property rights in the manufacturing documents and equipment provided to Supplier.
- 11.2. Tools or manufacturing equipment paid by Marquardt in whole or in part shall pass to Marquardt property in whole or in part.

12. MATERIAL PROVISIONS

- 12.1. Materials provided by Marquardt shall remain property of Marquardt and shall only be used for the intended purpose. Supplier shall process and assemble the material for Marquardt. In this case Marquardt will gain co-ownership in the final product in proportion of the provided material to the value of the finished product. Supplier shall retain co-ownership for Marquardt.
- 12.2. In case of material sales to Supplier the Marquardt conditions of delivery and payment shall apply.

13. CORPORATE RESPONSIBILITY

- 13.1. The supplier undertakes to fulfill the principles and requirements of the Marquardt Code of Conduct, which can be found on <https://us.marquardt.com/meta-footer/downloads/>.
- 13.2. For the supplier it is an essential element of the contract to observe the rules of the Marquardt Code of Conduct. Furthermore, the supplier uses his best efforts to forward the Marquardt Code of Conduct to his customers and to convince them to observe these requirements.
- 13.3. Upon request of Marquardt the supplier shall give a written self-assessment within an adequate period in the required form. This self-assessment includes information about the observation of the Marquardt Code of Conduct.

14. PLACE OF JURISDICTION, PROPER LAW

- 14.1. As far as Supplier is a businessman in terms of the Commercial Code, any disputes arising out of or in connection with any rights or duties whatsoever of the parties hereto – including bills of exchange and cheque disputes – shall be decided by the court competent at the Marquardt headquarters. This applies accordingly, if Supplier does not have a general place of jurisdiction in Germany, changes his residence or customary place of abode from Germany upon conclusion of the contract or if his residence or customary place of abode is not known at the time of commencing an action. Marquardt shall, however, be entitled to institute legal proceedings against Supplier at his general place of jurisdiction.
- 14.2. These Purchasing Conditions and all legal relations between the parties hereto shall be governed by the law of the Federal Republic of Germany.