

1. General – Scope

- (1) The Terms and Conditions of Purchase of Xenios AG (hereinafter referred to as Xenios AG) shall apply exclusively. Xenios AG does not acknowledge terms and conditions of the supplier which conflict with or differ from the Terms and Conditions of Purchase, unless it expressly consents that they are to apply. The Terms and Conditions of Purchase of Xenios AG shall apply even if it accepts delivery without reservation in the knowledge that the supplier's terms and conditions conflict with or differ from its Terms and Conditions of Purchase.
- (2) The supplier also acknowledges the Terms and Conditions of Purchase as binding on all future business transactions with Xenios AG – if they can be expected in future – and waives the right to insist on its own terms and conditions of sale and delivery, which shall not become a subject of the agreement as a result of acceptance of a delivery without reservation.
- (3) Any exclusion, modification and/or amendment of these Terms and Conditions of Purchase in conclusion of an agreement shall not be valid unless given in writing. There are no verbal collateral agreements.
- (4) The Terms and Conditions of Purchase shall not apply to business transactions with consumers as defined by Section 13 BGB (German Civil Code).

2. Orders

- (1) Orders and agreements shall be valid only if Xenios AG has issued or confirmed them in writing. If written orders and changes to orders are automatically created by means of electronic data processing systems, these declarations shall also be valid without having been signed by Xenios AG.
- (2) The prior written consent of Xenios AG shall be required if the supplier wishes to use orders as references and/or for promotional purposes.

3. Terms of delivery

- (1) Deliveries shall be Delivered Duty Paid (Incoterms 2010) to the named delivery point.
- (2) Acceptance of goods deliveries shall always be subject to their quality, condition and quantity. Inspections of goods at the works or warehouse of the supplier shall not constitute delivery or acceptance of the delivery. Over-deliveries or under-deliveries shall not be accepted, even if the supplier reserves the right to make them in its order confirmation.
- (3) If the goods of Xenios AG are delivered to the named place of destination in damaged packaging, Xenios AG shall be authorised to refuse acceptance of the consignment without inspecting its contents. The goods shall be returned at the cost and risk of the supplier.

4. Delivery periods

- (1) The delivery periods stated on the order shall be binding, unless otherwise agreed between the parties.
- (2) If the supplier is in delay with delivery, Xenios AG shall be authorised pursuant to the statutory provisions to refuse to accept the delivery, at its discretion either rescind the agreement in full or for the still outstanding part deliveries without obligation to pay compensation, or demand damages in lieu of performance.
- (3) The supplier shall notify Xenios AG in writing as soon as it has reason to suppose that it cannot make a delivery in full or in part on time. The extra costs incurred by Xenios AG as a result of the delay – including any costs for a covering purchase – shall be borne by the supplier. If Xenios AG is willing to accept delivery of the goods despite the delay, the associated extra costs shall be borne by the supplier.

5. Packaging / transport insurance

- (1) The goods shall be delivered in packaging suitable for proper shipment in compliance with the latest regulations on environmental protection. Disposable packaging shall be disposed of by the supplier at its expense. If reusable packaging is used, the supplier shall provide Xenios AG with it on loan. Goods shall be returned “ex works” (Incoterms 2000) from the business establishment of Xenios AG. If, by way of exception, Xenios AG states that it agrees to assume the packaging costs, they shall be charged only to the amount of the direct costs incurred by the supplier.
- (2) The goods to be supplied shall be insured against damage in transit at the supplier's expense, unless otherwise agreed between the parties.

6. Payments

- (1) Payments shall be made by the deadlines agreed with the supplier or stated on the order.
- (2) The assignment or other transfer of rights and obligations of the contractor outside the applicability of Section 354a HGB (German Commercial Code) shall not be permitted; exceptions shall require the written consent of the customer to be effective.

7. Quality

- (1) The supplier warrants that the supplied goods conform with the agreed specifications, do not have defects and do not lack any of the warranted qualities. The supplier also warrants that the supplied goods are free of design, material and production faults and conform to the state of the art.
- (2) Changes in or to the object to be supplied are not permitted without the prior written consent of Xenios AG. If Xenios AG incurs damage as a result of such changes, the supplier shall be liable for it and any consequential damage.

8. Third-party proprietary rights

- (1) The supplier warrants that the supplied goods are not encumbered by third-party proprietary rights.
- (2) The supplier undertakes to indemnify Xenios AG against any claims from the infringement of third-party proprietary rights at the first written request and to reimburse damage Xenios AG incurs from an infringement of third-party proprietary rights.

9. Warranty

- (1) The supplied goods shall be inspected by Xenios AG for visible damage and completeness within a reasonable period of time. Obvious defects shall usually be reported within a week of receipt of the goods. Hidden defects must be reported as soon as they are discovered. Payment for the goods shall not constitute acknowledgement that they comply with the agreement or are free of defects.
- (2) If the supplied goods have defects, Xenios AG can demand delivery of a substitute or rectification of the defects, at its discretion and free of charge. In urgent cases, Xenios AG can also rectify the defects itself at the cost of the supplier. If Xenios AG wishes to have defects rectified and this has not been accomplished successfully within a suitable period of time, Xenios AG can reduce the agreed price, rescind the agreement in full or in part, or demand damages in lieu of performance. Further claims due to defects and for damages – including consequential damage – by Xenios AG shall remain unaffected thereby.
- (3) If Xenios AG deems it necessary to conduct a more extensive inspection of received goods than the customary method of random sampling because there is an above-average frequency of defects found in the supplied goods, the costs of this shall be borne by the supplier.
- (4) Xenios AG shall hold goods it has objected to in safekeeping or return them to the supplier on the account and at the risk of the supplier. The right of ownership to the goods that Xenios AG has objected to shall pass back to the supplier on the day on which notice of their being returned is sent. In lieu of handing over the goods, Xenios AG shall hold the goods in safekeeping for the supplier.
- (5) Defects not discovered until the goods are reworked or processed or used shall also authorise Xenios AG to demand reimbursement of its futile expenses.
- (6) The period of limitation for warranty claims shall be two years as of when Xenios AG accepts delivery of the goods. For goods intended for resale – including in combination with a finished product of Xenios AG –, this period shall commence when the customer of Xenios AG accepts delivery of the goods or finished product. If defects are rectified or substitute goods are delivered, the period of limitation for the repaired part or the replaced goods shall commence anew as of when the goods are free of defects. To ensure that warranty claims are upheld beyond the period of limitation, it will be sufficient for Xenios AG to have notified the supplier of the defects within the period of limitation.

10. Discontinuation of products

The supplier undertakes to give Xenios AG written notification six months before any intended changes to or discontinuation of a product. During the warranty period, the supplier shall be obliged to continue keeping stocks of the product it has changed or discontinued (including any spare parts).

11. Drawings and tools

- (1) All tools, software, samples, drawings, calculations, documents and other aids (hereinafter referred to in general as “aids”) provided to the supplier for the purpose of executing orders shall remain the property of Xenios AG. They shall be kept confidential, must not be reproduced, copied or used for other purposes and shall be returned to Xenios AG immediately upon request.
- (2) The supplier shall be obliged to insure the aids that belong to Xenios AG at their reinstatement value against damage by fire and water and theft at its own expense. The supplier hereby assigns all claims for compensation under said insurance to Xenios AG, which hereby accepts the assignment. It shall also carry out the necessary maintenance and inspection work on aids, as well as all servicing and repair work, in good time and at its own expense. It shall report any incidents to Xenios AG immediately in writing; if it culpably fails to do so, it shall be liable for the damage Xenios AG incurs as a result.
- (3) Aids produced by the supplier and billed by it to Xenios AG shall become the property of Xenios AG at the time production of them is completed. The aids shall be surrendered to Xenios AG immediately and free of charge if the agreement is terminated or in the event of delivery difficulties. The supplier shall indicate the aids clearly as being the property of Xenios AG and point out this right of ownership to third parties who wish to establish claims to them. The supplier shall immediately inform Xenios AG if third parties intend to establish ownership of the aids. Any costs incurred by Xenios AG in defending its property shall be borne by the supplier.
- (4) The supplier shall be obliged to care and maintain aids as specified in Subsection (1) and to rectify normal wear and tear to them; the necessary costs of this shall be discharged by the purchase price for the aids. If the supplier engages a subcontractor to produce aids in order to execute orders of Xenios AG, the supplier shall assign its claims for transfer of ownership of the aids against the subcontractor to Xenios AG; Xenios AG hereby accepts this assignment in advance.

12. Down payments and supplies by Xenios AG (deliverables)

- (1) The supplier undertakes to use the down payments or supplies (hereinafter referred to as “deliverables”) made by Xenios AG solely for executing the orders of Xenios AG. The supplier shall hold the deliverables in separate safekeeping and indicate that they are the property of Xenios AG on the deliverables themselves and in its business records.
- (2) The parties agree that the goods for which Xenios AG has made a down payment or provided a deliverable shall become the property of Xenios AG when production of them has been completed. In lieu of handing over possession, the supplier shall hold the goods in safekeeping for Xenios AG free of charge and with the due diligence of a prudent businessman. To this end, the supplier shall keep the produced goods separately from

other stocks and indicate that they are the property of Xenios AG on the goods and in its business records. The supplier shall provide Xenios AG with writing confirmation of this.

- (3) Xenios AG shall be authorised to satisfy itself that the goods and/or deliverables are held in separate safekeeping and properly indicated as its property during customary business hours. To this end, it shall be authorised to enter the business premises and rooms of the supplier.
- (4) The deliverables shall be reformed or processed by the supplier on behalf of Xenios AG. The supplier shall not acquire ownership of the new object. If the supplier should acquire co-ownership of the deliverables by processing, combining or mixing them with other objects, it shall assign its co-ownership to Xenios AG. In lieu of handing over possession, the supplier shall hold the object in safekeeping for Xenios AG free of charge.
- (5) The supplier shall immediately inform Xenios AG of any seizure by third parties of the goods and/or deliverables belonging to Xenios AG and shall assist it in any way in defending its property; the costs of such defence shall be borne by the supplier. This obligation to inform Xenios AG shall apply analogously if composition or insolvency proceedings are instigated.
- (6) The supplier shall not have any right of retention with respect to the claims of Xenios AG. The supplier can offset claims only if they are permissible, not in dispute and have been ruled on finally and conclusively by a court of law.

13. Confidentiality

- (1) The supplier shall use the aids it receives for executing the orders of Xenios AG as defined in Section 12 Subsection (1) Sentence 1 and other information and acquired knowledge and experience solely for carrying out the orders of Xenios AG. It shall be obliged not to disclose any business and/or trade secrets revealed to it by Xenios AG to third parties. The same shall apply analogously to the results it creates in the broadest sense, in particular data, specifications, samples, drawings and designs.
- (2) The obligation to maintain confidentiality specified in Subsection (1) Sentences 2 and 3 shall remain in effect after the agreement or the business relationship ends. It shall no longer apply if and insofar as information as defined by Subsection (1) Sentences 2 and 3 becomes public domain.

14. Safety and liability

- (1) The supplier warrants that all statutory provisions, ordinances and other regulations, in particular all provisions relating to safety and environmental protection, in connection with the goods to be supplied are complied with. This shall also include agreements with forwarders / haulage contractors / warehouse providers and regulations on shipping hazardous substances.
- (2) The supplier warrants that it complies with the German Act on Technical Work Equipment and Consumer Products (Equipment and Product Safety Act – GPSG), the regulations of the German Association for Electrical, Electronic & Information Technologies (VDE), the work safety and accident prevention regulations of the mutual indemnity associations

and the generally acknowledged rules relating to health and safety at work; necessary protective devices shall be part of the scope of delivery and are included in the price.

- (3) The supplier is obliged to ensure compliance with all safety requirements demanded of the goods to be supplied by means of constant examinations and other suitable measures, document them and furnish the appropriate evidence of compliance to Xenios AG at any time upon request. The documents required for this shall be retained for the service life of the supplied goods, but at least for six years as of when such goods are last delivered to Xenios AG.
- (4) The supplier shall be liable for all damage caused at Xenios AG due to errors/breaches of duty in its sphere or that of its employees or agents and shall indemnify Xenios AG against all claims for compensation by third parties due to such damage. This shall also apply to damages (including the other costs necessary for appropriate prosecution of legal action) which Xenios AG has agreed to pay out of court, taking the supplier's interests into due consideration.

15. Liability on the part of Xenios AG

- (1) Xenios AG shall be liable without restriction pursuant to the German Product Liability Act (Produkthaftungsgesetz) and the General Equal Treatment Act (AGG) in cases where it has expressly assumed a guarantee or procurement risk and if it breaches its duties through intent or gross negligence. It shall also be liable without restriction for intent and gross negligence on the part of its executive employees and for intent and gross negligence on the part of its simple vicarious agents.
- (2) It shall also be liable without restriction in the case of injury to life, body or health through intent or gross negligence. It shall be liable for damage to property or economic loss caused through slight negligence only if it violates cardinal contractual obligations, i.e. obligations which are vital to proper fulfilment of the agreement and the proper fulfilment of which the customer regularly relies and may rely on, but restricted to damage which is typical of the agreement and was foreseeable at the time the agreement was concluded.
- (3) Any liability for damages above and beyond that specified in the above Subsections of this Section 15 shall be excluded, regardless of the legal nature of the claim.
- (4) The above limitations to liability shall also apply with respect to grounds and amount in favour of our statutory representatives, employees and other vicarious agents.

16. Company rules and regulations

The supplier warrants that all the persons used or engaged by it to execute the orders of Xenios AG shall comply with the applicable house rules and regulations and associated instructions of the employees of Xenios AG when they enter business establishments of

Xenios AG. Any instruction on these rules and regulations shall be provided by the safety expert of Xenios AG.

17. Export regulations

The supplier shall be obliged to inform Xenios AG in writing of which components, modules, devices, equipment, etc., are subject to export and/or re-export restrictions under the foreign trade regulations of Germany or, if applicable the U.S. Export Administration Regulations.

18. Place of jurisdiction, applicable law

- (1) If the supplier is a merchant, a juristic person under public law or a special public-law fund, the courts at the place of Xenios AG's headquarters in Heilbronn shall have legal venue and jurisdiction for all disputes on rights and obligations under this agreement, including its validity. Xenios AG can also file legal action against the supplier at the latter's place of general jurisdiction. In the cases specified in Sentence 1, the headquarters of Xenios AG shall be the place of performance, unless otherwise specified by the order.
- (2) These Terms and Conditions of Purchase and the legal relationships between Xenios AG and the supplier shall be subject to German law. The provisions of the United Nations Convention on the International Sale of Goods (CISG) shall not apply.

19. Final provision

If one or more provisions of these General Terms and Conditions are or become void or invalid in full or in part, this shall not affect the remaining provisions. The parties undertake to replace the void or invalid provision with a valid and effective stipulation that corresponds to it as closely as possible in legal and economic intent.

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