

General Terms and Conditions for the Purchase of Goods and Services

§ 1 General

- (1) P+Z Engineering GmbH, referred to hereinafter as P+Z or the Purchaser, is an internationally active engineering service provider in the main fields of electrics/electronics, development, construction, simulation and testing as well as project and quality management. P+Z works, amongst others, in the areas of contracts for work, services and materials as well as other contracts. The General Terms and Conditions of the Purchaser shall form part of the contract and apply exclusively. Any terms and conditions of the supplier which are contradictory hereto or deviate herefrom shall not be acknowledged unless P+Z has expressly consented to the applicability thereof in writing. Oral agreements shall apply only upon confirmation in writing.
- (2) These Terms and Conditions shall also apply to any and all future business transactions with the supplier.
- (3) Munich shall be the exclusive place of performance and place of jurisdiction for any and all disputes. This shall also apply if the supplier has no place of general jurisdiction in the Federal Republic of Germany at the time when judicial proceedings are initiated. However, the Purchaser may also refer the legal dispute to any other admissible court of law.
- (4) The law of the Federal Republic of Germany shall apply. The application of the United Nations Convention on the International Sale of Goods dated 11.04.1980 shall be excluded.
- (5) Should one of the provisions of these Terms and Conditions be or become ineffective, the effectiveness of the remainder of the contract shall not be affected hereby. The contractual partners shall undertake to replace the ineffective provision with a provision which achieves an economic result as similar as possible to that of the ineffective provision.
- (5) Should the supplier have reservations with respect to the feasibility of the order, he shall inform P+Z thereof without undue delay. Failure to do so shall result in an obligation of compensation for damages.
- (6) The supplier shall maintain an insurance which is adequate in relation to volume of the order and risk of damage for the duration of the contract period, including periods of limitation. The supplier shall furnish the Purchaser with evidence of such insurance upon request. The supplier hereby assigns in advance any and all existing payment claims against the insurance in connection with the subject-matter of performance; the Purchaser hereby accepts such assignment. The liability of the supplier shall not be limited by grounds nor by amount through the conclusion of the insurance.
- (7) Para. 6 shall not apply to freelance engineers if an adequate insurance is not provided by any insurance company in Germany.

§ 3 Sub-contracting

- (1) Sub-contracting without the written consent of P+Z is inadmissible. The supplier shall ensure that only specifications, requirements, records and modifications which have been agreed upon with P+Z are passed on in their entirety to the sub-contracted company.
- (2) The supplier shall ensure that the companies subcontracted by him comply with the same quality requirements that he himself does.
- (3) Sub-contractors shall be obliged to maintain confidentiality to the same extent as the supplier himself.

§ 4 Delivery and acceptance

- (1) The supplier shall be obliged to confirm the order in writing within two weeks. To the extent that a confirmation is not received by the Purchaser or is received late, he shall be entitled to revoke the order.
- (2) P+Z shall retain the title and copyrights to illustrations, drawings, calculations and other documents; these shall not be made accessible to third parties without the express consent of the Purchaser. They shall be used exclusively for production/procurement in relation to the order placed by P+Z. The supplier shall return the materials and documentation mentioned hereinbefore to P+Z after the execution of the order without being asked to do so. This shall apply to the same extent to any objects and work equipment as well as company passes which have been entrusted to the supplier.
- (3) P+Z may, within the limits of reason for the supplier, demand modifications to the services/delivery items with respect to the construction and/or execution thereof. In this regard, the consequences with respect to increases and decreases in cost as well as to delivery schedules shall be settled without undue delay and by mutual agreement.
- (4) The supplier shall inform P+Z in writing and without undue delay of any planned modifications to the nature of the composition of the processed material, the construction and/or execution vis-à-vis similar deliveries and services rendered to P+Z in the past. The modifications shall require the written approval of the Purchaser.
- (1) The delivery and performance deadlines specified in the order shall be binding. The supplier shall inform P+Z without undue delay if circumstances should arise or become apparent which indicate that the binding deadlines cannot be adhered to. The supplier shall be entitled to premature performance or partial performance only if this has been expressly agreed upon.
- (2) To the extent that nothing to the contrary has been agreed upon in writing, the supplier shall deliver the subject-matter of performance carriage paid up to the registered office of the Purchaser.
- (3) In the event of delayed delivery, P+Z shall be entitled to the pertinent statutory claims. After fruitless lapse of an adequate time limit for subsequent rectification, the Purchaser shall be entitled to demand compensation due to non-performance.
- (4) Preliminary acceptances according to the respective stage of completion shall constitute a pre-requisite for the provision of payments in account. Should preliminary or partial acceptance not be possible due to the type of work performed, this shall be noted on the invoices for payments in account and confirmed by the project manager.
- (5) A formal acceptance shall take place with respect to which an acceptance report shall be drawn up and signed by the supplier and responsible project manager.

§ 5 Prices and terms of payment

- (1) The price/cost rate shown in the order shall be binding. Unless otherwise agreed upon, the price shall include carriage-free delivery including packaging.

- (2) An unconditional payment shall not imply an acknowledgment of performance as contractually agreed upon, nor an acknowledgement of the charged prices.
- (3) The Purchaser shall be entitled to offsetting, reductions, the right to refuse performance or right of retention vis-à-vis the claims of the supplier at any time.
- (4) The supplier shall be entitled to offsetting or the enforcement of rights of retention only if his claims are uncontested or have become res judicata. In addition, the enforcement of a right of retention shall imply that the claims of the supplier are based on one and the same contractual relationship.

§ 6 Right of access

- (1) The supplier shall grant P+Z, administrative bodies and the regulatory authorities as well as, subsequent to consultation with P+Z, customers of the Purchaser an unrestricted right of access to any and all facilities relating to the order and the pertinent records.
- (2) The supplier shall immediately inform P+Z if a customer of P+Z or administrative bodies and/or regulatory authorities wish to gain access to the facilities and records of the supplier or have gained such access in connection with the order placed by P+Z.

§ 7 Warranty and liability

- (1) The supplier shall ensure the punctual, defect-free and complete delivery of the services and goods specified in the order placed. He shall ensure that his contractual performances comply with the applicable guidelines and technical requirements, the acknowledged standards of scientific and technical knowledge as well as with the statutory provisions and the standard requirements of the market as specified by the purchaser and the respective end-customer.
- (2) The performance owed by the supplier after the respective individual project shall require acceptance by P+Z. The acceptance shall imply the fulfillment of the performance owed in accordance with the contractual specifications and shall be declared in writing. Should such acceptance have been declared only after the execution of subsequent rectification work, the dates for the payment of the remuneration shall be postponed accordingly.
- (3) Should the performance of the supplier be defective, P+Z shall be entitled to the pertinent statutory warranty rights. Should the supplier fail to fulfill his obligation to rectify the defects without undue delay, should such rectification fail, or should special circumstances exist which necessitate immediate action, P+Z may, at the expense of the supplier, rectify the defect by himself or have third parties to do so, or have the subject-matter of the performance newly produced. Legitimate grounds shall constitute, amongst others, reasonable doubt with respect to the success of the defect rectification by the supplier or the threat of greater loss due to the binding nature of scheduled deadlines.
- (4) The rectification of defects in a scope which is nonnegligible as well as a new delivery shall result in a recommencement of the statute of limitations.
- (5) Should only partial performances be defective, the Purchaser may reject the entire performance to the extent that he is not interested in the partial performance.
- (6) The supplier shall be held unrestrictedly and strictly liable for the supplies and services of third parties procured by him as for his own performance. This shall also apply in particular with respect to defects.
- (7) The supplier shall be held liable, within the framework of product liability, for any and all consequential losses which

have been incurred through his products. The burden of proof for the existence of limitations of liability pursuant to the German Product Liability Act shall lie with the supplier.

- (8) P+Z shall be indemnified by the supplier at first request against claims instituted by third parties based on product liability if and to the extent that the supplier is responsible for the product defect and the damage incurred under the principles of product liability law.
- (9) The supplier shall reimburse the Purchaser for any and all costs which have been incurred in connection with an implemented product recall.

§ 8 Quality management

- (1) The supplier shall ensure appropriate quality assurance and control, and also observe any and all quality specifications especially mentioned in the order. In this regard, he shall conform to the respective provisions of DIN EN 9100:2009 and/or DIN EN ISO 9001:2008 as applicable at the conclusion of the contract. A separate quality inspection and incoming goods inspection on the part of P+Z shall not release the supplier from his contractual obligations. This shall also apply to subcontractors of the supplier.
- (2) The supplier shall undertake to use only sufficiently qualified employees to render the performances requested in the order.
- (3) Should the supplier have reservations with respect to the feasibility of the order, he shall inform P+Z thereof without undue delay. Failure to do so shall result in an obligation of compensation for damages.
- (4) In the event of an audit or examination by the Purchaser in connection with the commissioning of the supplier, the supplier shall ensure that the pertinent employees and records are made available in a sufficient scope.
- (5) P+Z reserves the right to audit the supplier within the scope of the commissioning. In this regard, the supplier shall grant him right of access which is unrestricted in terms of time and space for the period of the audit even if it exceeds the period of the said commissioning.

§ 9 Confidentiality

- (1) The supplier shall, for duration of the contract period and after its termination, undertake to keep confidential, not to reproduce, not to make accessible to third parties, and not to use for commercial purposes any and all information, documents (incl. calculations, drafts, drawings etc.) and experiences of which he has gained knowledge in connection with the contractual agreements and which he has received from P+Z, unless otherwise agreed upon in writing.
- (2) The supplier shall be held responsible for the compliance with the obligation to confidentiality by his employees and third parties who have been involved in a permissible manner. The customer data of P+Z may not be passed on even within the company of the supplier without the prior written consent of the Purchaser. The same shall apply to advertising using the business relationship with P+Z.
- (3) Any and all documents handed over to the supplier by P+Z or other information made available to the supplier by P+Z in tangible form shall remain the property of P+Z and may not be used for the reproduction of the same or similar products. They shall be returned to P+Z upon request.

§ 10 Transfer of rights and the rights of third parties

- (1) The supplier may assign, pledge or otherwise transfer claims vis-à-vis P+Z only with the prior written consent of the Purchaser. Should a claim be assigned without such consent,

such assignment shall nonetheless be effective and P+Z shall have the choice of settling the claim with discharging effect with the supplier or with the third party.

- (2) The supplier shall, his knowledge or any knowledge of the Purchaser notwithstanding, release the Purchaser from any and all claims, and assume, at first request, any and all losses, costs or expenses which P+Z incurs due to the violation of third-party industrial property rights with respect to the delivery items/services. In addition, P+Z shall be entitled to obtain the approval for the use of the subject-matter of performance at the expense of the supplier.
- (3) Paragraph (2) shall not apply to the extent that industrial property rights are violated through model drawings of P+Z or other specifications.
- (4) With respect to the violation of foreign industrial property rights and industrial property rights applications, the supplier shall be held liable only if at least one right of the industrial property rights family has been published either in the home country of the supplier, by the European Patent Office or in the USA.
- (5) Should the work results contain industrial property rights which have arisen on the part of the supplier prior to the placing of the order, P+Z shall receive a transferable, sub-licensable, non-exclusive and irrevocable license with respect to these industrial property rights.
- (6) With respect to any and all models, samples, ideas and work results which arise in the course of performance, P+Z shall receive an exclusive, unrestricted, sublicensable and irrevocable exploitation right which may be transferred by the purchaser to third parties ad libitum. The supplier shall correspondingly be obliged to avail himself of the industrial property rights vis-à-vis his employees. The transfer of rights and any remuneration for employee inventions shall be deemed already compensated for with the remuneration agreed upon.

§ 11 Taxation

- (1) With his signature, the supplier shall confirm that he (a) has registered his business activities with the pertinent tax office, and (b) complies with his fiscal obligations, particularly with the obligation to pay value-added tax and income tax.
- (2) If the supplier is a company, this signature shall hereby confirm that all the employees made available by the supplier are registered at their respective places of residence for tax purposes and are paid in accordance with the statutory stipulations as well as fiscal guidelines.
- (3) The supplier has been duly reminded that under Section 2 No. 9 SGB VI it may be liable for pension insurance if it has only one client and does not have any employees liable for social insurance.
- (4) The supplier agrees to comply with all social insurance regulations and warrants that it is not liable for social insurance by means of this contract.

§ 12 Termination of contract

- (1) P+Z may terminate the performance relationship with the supplier in writing with a notice period of two (2) weeks. The right to extraordinary termination shall not be affected hereby.
- (2) If Purchaser is not responsible for the grounds for termination put forward by the supplier or P+Z, P+Z shall owe the remuneration in accordance with the respective stage of completion only if the performance is economically exploitable by P+Z.
- (3) Should the financial circumstances of one of the contractual partners deteriorate to such an extent that the proper

fulfillment of his contractual obligations are substantially jeopardized, in particular if the institution of insolvency proceedings with respect to the assets of the said party have been applied for, the other contractual party shall be entitled to withdraw from the contract with respect to the unfulfilled part, or to terminate the contract without notice.