

Applicable to transactions with companies, legal persons under public and special funds under public law

I. Applicability

1. Legal relationships between the supplier and innoelectric AG (hereafter: "innoelectric") for the purchase and procurement of deliveries and/or services by innoelectric are exclusively subject to the following General Terms and Conditions of Purchase (hereafter: "GTC"). These GTC also apply to any future orders for deliveries and/or services made by innoelectric, even if their applicability is not expressly agreed to with the supplier.
2. The supplier's own terms and conditions shall not apply, without the express written consent of innoelectric. The buyer's own terms and conditions shall not apply even if innoelectric orders the delivery and/or service without reserve and without the need to reject them again.

II. Offer, Contract Changes, Quality Assurance

1. Orders, delivery schedules, contracts and agreements for deliveries and/or services must be issued in writing.
2. Changes, additions or cancellations of agreements concluded between the supplier and innoelectric or to these GTC must be issued in written form to be effective. Telecommunicative or electronic transmission, especially fax or email, suffices to fulfill this written form requirement if a copy of the declaration amending or supplementing the contract is transmitted.
3. The supplier's offers and cost estimates are binding and do not require payment by innoelectric, unless expressly agreed otherwise.
4. If the supplier does not accept an order from innoelectric within 10 business days of receipt, innoelectric may cancel the order.
5. Delivery schedules for quantity contracts become binding if the supplier does not reject to the schedule to innoelectric in written form within 3 business days of receipt.
6. If innoelectric places an order for the delivery of goods, innoelectric's quality assurance agreement, which innoelectric will transmit with the order in its respectively current version, will be an essential part of the contractual relationship between the supplier and innoelectric. If no quality assurance agreement is concluded, no contract for the performance of a delivery will be concluded between innoelectric and the supplier.

III. Delivery & Service Scope, Replacement Parts Subcontractors

1. Agreed dates and deadlines are binding and must be met by the supplier under any circumstance.
2. Partial deliveries are only permissible if reasonable for or expressly consented to by innoelectric.
3. The supplier is responsible for ensuring that they are aware of all information, data and circumstances relevant to the fulfilment of their contractual obligations in good time before the execution of the order. The supplier is obliged to check documents handed over to them by innoelectric for the execution of the order for correctness of content, completeness and compliance with technical and other regulations. The supplier shall immediately notify innoelectric of concerns of any kind in written form, stating the reasons which are decisive for their concerns.
4. Even after placing an order, innoelectric may demand changes to the construction or execution of delivery objects. The supplier must implement the changes within an appropriate period if and to the extent that doing so is reasonable for them. The supplier and innoelectric will mutually coordinate any cost increases or decreases or adjustments to delivery dates or periods caused by the changes.
5. In the case of delivery of production material, the supplier is obliged to ensure delivery of the delivery items and related spare parts for a period of five years after execution of the delivery.
6. If the scope of the delivery and/or service includes software for managing the delivery object, the supplier must grant corresponding non-exclusive and non-transferrable usage rights to innoelectric. Permissible use of the software by innoelectric includes the right to reproduction and to issue sublicenses for the software. The supplier guarantees that granting the above-stated usage rights does not

infringe on any third-party rights and must hold innoelectric harmless from any third-party claims based on alleged property rights infringements, including from necessary legal defense costs.

7. The supplier may only employ subcontractors with innoelectric's prior written consent

IV. Specifications, Supplies

1. innoelectric reserves unlimited ownership and copyright exploitation rights to its technical specifications, product descriptions, prospectuses, drawings and other documents provided to the supplier. Such documents may only be made available to third parties with innoelectric's prior written consent.
2. Production materials, parts, containers or packaging supplied by innoelectric will remain innoelectric's property. If such supplies are processed, mixed or combined, innoelectric will be entitled to co-ownership of the new object for the ratio of the value of the overall object. The supplier is not entitled to rights of retention to the supplies—for any reason.

V. Prices, Payment Conditions

1. Agreed prices are fixed prices. Unless otherwise agreed, payments will be made with a 3% deduction within 10 business days of receipt of the supplier's invoice by innoelectric or within 20 business days with no deduction.
2. The supplier may not assign to third parties claims to which they are entitled against innoelectric or have such claims collected by third parties. Section 354a of the German Commercial Code [Handelsgesetzbuch, HGB] remains unaffected.
3. The supplier may only use counterclaims for set-off or exercise rights of retention if their counterclaims are uncontested or have been legally established. Rights of retention are also excluded for counterclaims not based on the same contractual relationship.

VI. Shipping Type, Packaging and Transfer of Risk

1. Unless otherwise agreed between the supplier and innoelectric, the supplier's deliveries will be made "DDP" ("delivery duty paid") in accordance with ICC Incoterms 2010 (available (in German) at <http://www.iccgermany.de/standards-regelwerke/incoterms/>). innoelectric will specify the delivery destination in the order.
2. Unless specified otherwise by innoelectric, the supplier must pack delivery objects with the care of a prudent businessperson. Packaging must be suitable for preventing transportation damage. Beyond that, the supplier shall decide the specifics of the delivery packaging at their dutiful discretion.
3. Risk of random deterioration or destruction will be transferred to innoelectric after the delivery of the delivery objects to the agreed destination and their acceptance by innoelectric. This also applies to direct deliveries to innoelectric's customers; in such cases, acceptance by innoelectric will be replaced with acceptance by the customer.
4. In case of early deliveries, any resulting storage costs must be borne by the supplier. Risk of random deterioration or destruction during storage of the delivery objects will be borne by the supplier.

VII. Exports

For delivery objects, the supplier must inform innoelectric about any approval requirements or limitations for (re-)exports under German, European, American export or customs regulations and about the export and customs requirements of the country of origin. If and to the extent that approval requirements exist in this context, the supplier shall provide the following information to innoelectric before the first delivery:

- Material number
- Goods description
- Applicable export list numbers under Annex AL to the German Foreign Trade and Payments Ordinance [Außenwirtschaftsverordnung, AWV] and, for US goods, the Export Control Classification Number (ECCN) under the US Commerce Control List
- Commercial origin of goods

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- Statistical goods number (HS code)
 - Contact details of a contact person for questions
2. The supplier must notify innolectric without delay or solicitation about any changes to approval requirements for the delivery objects due to technical, regulatory or legal changes or administrative orders.

VIII. Inspections by innolectric, Defect Reports

1. innolectric will only perform incoming goods inspections for obvious damages, especially transportation damage, and for externally visible identity and quantitative deviations.
2. innolectric will report any defects in the sense of Subsection 1 to the supplier without delay. Beyond that, innolectric will report defects upon their discovery within the conditions of its orderly business operations. The supplier therefore waives the defense of late defect notification.

IX. Defect Liability of the Supplier

If a delivery object is defective, the supplier will be liable as required by law with the following provisions:

1. In case of risk of damage and/or to maintain its ability to supply its customers, innolectric may, after notifying the supplier, perform rectification itself or commission a third party. The supplier must hold innolectric harmless from any resulting costs.
2. The supplier will be liable for defects that occur within 36 months of the delivery of the delivery object to its agreed destination. If acceptance is agreed for the delivery object, this period will commence as of the acceptance declaration date. In case of rectification, this period will be extended by the period during which the delivery object could not be used as contractually required by innolectric or its customers. Defect claims will expire, at the earliest, 2 months after rectification by the supplier and no later than 5 years after the delivery to innolectric.
3. If third parties assert claims against innolectric based on legal defects for which the supplier is responsible, the supplier must hold innolectric harmless. In addition, the supplier must hold innolectric harmless of third-party claims, including product liability claims, if and to the extent that the damage was caused by a defect in the delivery object supplied by the supplier. The supplier must also hold innolectric harmless from any necessary legal defense costs. In case of liability irrespective of fault, the supplier must hold innolectric harmless if they are at fault. If the cause of the damage lies within the responsibility of the supplier, the supplier will be responsible for proving their innocence.
4. If errors or defects in delivery objects necessitate a recall, innolectric will notify the supplier about this, coordinate efficient implementation of the recall with the supplier and enable the supplier to participate. If the supplier is responsible for the errors or defects in the delivery objects that caused the recall, the supplier must reimburse innolectric for any costs incurred through the recall.

X. Force Majeure, Delivery Hindrances

1. Unforeseeable and unavoidable events, especially such events as natural catastrophes, strikes, lockouts or acts of terrorism ("force majeure"), release the supplier and innolectric from their performance obligations for the duration of the hindrance. The affected party must inform the other party extensively and without delay about the occurrence of a force majeure event and take any reasonable measure to limit its negative impacts. The affected party must also notify the other party without delay about the passing of the force majeure event.
2. In case of long-term delivery delays for the supplier, innolectric may withdraw from the non-fulfilled part of the contract. In such cases, the supplier must assist innolectric with the transfer of the delivery object's production to innolectric or to a third party designated by innolectric. This includes the licensing of the industrial property rights necessary for the production at customary industry conditions.

XI. Withdrawal, Cancellation

1. In addition to the withdrawal rights granted by law, innolectric may withdraw from a contract in case of a significant or impending deterioration of the supplier's asset situation that threatens the fulfillment of their supply obligations. innolectric is especially entitled to withdrawal rights in case of:
 - Production and/or customer delivery suspensions.
 - Payment suspension by the supplier.
 - Impending insolvency under Section 18 of the German Insolvency Statute [Insolvenzordnung, InsO] or over-indebtedness of the supplier,
 - Opening of insolvency proceedings for the supplier's assets or comparable proceedings for debt settlement,
 - Rejection of insolvency proceedings for the supplier's assets due to lack of funds.
2. In case of continuing obligations between the supplier and innolectric, the above Subsection 1 must be applied with the provision that innolectric's withdrawal rights will be replaced with rights to extraordinary termination without notice.
3. In case of partial performance by the supplier, innolectric may only withdraw from the entire contract if innolectric has no interest in the partial performance.
4. If innolectric withdraws from or cancels the contract under the above-stated withdrawal or cancellation rights, the supplier must compensate innolectric for any resulting damages, unless the supplier is not responsible for the exercise of the withdrawal or cancellation rights.

XII. Confidentiality

1. The parties must maintain strict confidentiality over the other party's trade and/or industrial secrets of which they learn through or in relation to the order or the performance of the delivery and/or service or that become known and may not make them accessible to unauthorized third parties. If the parties include third parties (e.g., pre-suppliers or subcontractors), confidential information or data may only be transferred to the third parties if they were required in writing to maintain confidentiality prior to the receipt of the confidential information or data. These confidentiality obligations will continue to apply for five years after the contractual relationship between the parties ends.
2. The parties must properly store any documents and data carriers received from the other party and must especially ensure that they cannot be viewed by unauthorized third parties. After their contractual relationship ends, the parties must completely return any documents and data carriers received from the other party. Legal storage requirements remain unaffected..

XIII. Final Provisions

1. The contractual relationship between the supplier and innolectric, including its interpretation, is subject to German law under exclusion of the United Nations Convention on Contracts for the International Sale of Goods of 11 April 1980 (CISG).
2. The supplier acknowledges that, for orderly contract performance in compliance with data protection laws and ordinances, innolectric collects data which it fully or partially transmits to third parties (e.g., subcontractors, shipping companies or insurance providers) if required for contract performance by innolectric.
3. The place of fulfillment for deliveries and services is the location specified by innolectric to which the goods must be delivered or where the service must be performed.
4. The place of jurisdiction for any dispute from or in relation to the contractual relationship between innolectric and the supplier is Bochum, Germany.
5. In case of the legal ineffectiveness of any of its individual regulations, these GTC will remain binding in all other parts. However, this does not apply if maintaining the remaining terms and conditions represents an unreasonable burden for a party.