

Reviewed last: January 2020

TERMS AND CONDITIONS OF PURCHASE (TCP)

1. Scope of application

- 1.1. The following General Terms and Conditions of Purchase (GTCP) shall apply to our orders and contracts exclusively. The TCP in their respectively valid version shall also apply to future orders or contracts with the same contractual partner (supplier), without this having to be referred to in individual cases.
- 1.2. The contract is concluded on the following terms and conditions exclusively. Deviating terms and conditions of the supplier shall not become part of the contract even if we do not expressly object to them. We hereby expressly object for the future to references to our own terms and conditions in counter-confirmations, counter-offers or other references by the supplier. We only deviate from this principle within the framework of individual contractual agreements in accordance with Section 305b BGB (German Civil Code).
- 1.3. These terms and conditions shall also apply in their latest version to all follow-up transactions, without their inclusion having to be expressly mentioned or agreed.
- 1.4. Ancillary agreements, amendments and supplements to the contract (hereinafter: supplementary agreements) shall be concluded by the supplier accepting our order (offer). In all other respects, an order shall be deemed accepted if the supplier does not object to the order within 30 calendar days of receipt thereof or commences performance of the ordered deliveries or services within this period without objection.

2. Offers: orders/conclusion of contracts

- 2.1. The supplier must adhere exactly to our enquiry when preparing the offer. He must expressly point out any deviations. The preparation of the offer is free of charge for us, unless a different agreement has been made in writing in the form of an individual agreement.
- 2.2. Only orders in text form are binding to us. Orders placed in any other form become binding only when confirmed in text form. This also applies to supplements and amendments to orders and these terms and conditions. Any order shall be confirmed by the supplier without delay. Until acceptance, we reserve the right to revoke our orders.
- 2.3. Subsequent changes to orders/contracts must be confirmed by us in text form to be effective.
- 2.4. If the supplier realises by the time of delivery that there is a technically and/or economically more reasonable option for achieving the purpose of the contract desired by us than the option favoured by us, the supplier shall be obliged to point this out to us expressly and without delay and to offer us this more favourable option.
- 2.5. In all contracts for the provision of services (e.g., contract for work and services, service contract), we may request changes to the scope of delivery and performance (including the contractually agreed deadlines), unless this is exceptionally unreasonable for the supplier in the individual case. The supplier shall comply with such a request. The effects, in particular with regard to the additional and reduced costs as well as the delivery dates, shall be taken into account appropriately and shall in principle be agreed in text form between the customer and the contractor prior to the execution of the changes. In cases of impending delays or in the event of imminent danger, we may demand that the supplier commence execution prior to this written agreement. The supplier shall comply with this request. The supplier is entitled to having the change requests confirmed in text form (e-mail).

3. Execution of the order

- 3.1. If the supplier is obliged to provide us with drawings, calculations or other documents relating to the delivery on the basis of a written or verbal agreement, these documents must be submitted to us for inspection and approval immediately after conclusion of the contract or on the dates agreed in the contract, unless otherwise agreed.
- 3.2. Drawings and other documents which we make available to the supplier shall remain our property and may be reclaimed by us at any time together with any copies. These documents may only be used for our purposes and may neither be passed on to third parties nor used for third parties or own purposes without our written consent. They must be secured against disclosure to unauthorised parties or use by third parties. Culpable infringements shall oblige the perpetrator to pay damages and entitle us to withdraw from the contract in whole or in part without further ado and without compensation.
- 3.3. In the case of equipment, installations and software, at least a technical description or instructions for use shall be supplied free of charge.
- 3.4. Insofar as the supplier wishes to commission third parties with the rendering of the performance, this shall require the prior written consent by the customer. This shall apply accordingly to the change or the involvement of further subcontractors.

4. Delivery deadlines/periods and delay

- 4.1. The agreed delivery dates and deadlines as well as performance dates and deadlines are binding and must be strictly adhered to and are understood to arrive "free domicile" at the place of delivery. We shall only assume the costs of insurance

for the delivery and/or transport if we have expressly requested the insurance and our assumption of these expenses has been clearly agreed with us in writing.

Should any delivery/performance date be foreseeably exceeded, this must be notified to us in writing without delay.

- 4.2. In the event of a delay in delivery/service, we are entitled, unless otherwise agreed, to demand a contractual penalty of 0.3% of the order value (net) per working day, but not more than 5%. We are entitled to reserve the contractual penalty until final payment. The contractual penalty shall be in addition to the performance and may be demanded as a minimum amount of damages owed by the contractual partner according to the statutory provisions; the assertion of further damages shall remain unaffected. In any case, however, the contractual penalty shall be offset against this.

- 4.3. The delivery times/execution dates stated in the order are binding. The supplier undertakes to inform us immediately if circumstances arise or become apparent which indicate that the agreed delivery time or the agreed execution date cannot be met. Every performance under a contract for work and services requires formal acceptance with a record. As soon as the supplier has performed the services, he shall notify us of this in writing. Acceptance by conclusive behaviour is excluded, in particular the use or commissioning of such services under the contract for work and services or the economic use within the framework of trial operation shall not be deemed to be acceptance. Section 640 para. 2 BGB (German Civil Code – fictitious acceptance) remains unaffected. A fictitious acceptance in accordance with Section 640 para. 2 BGB (German Civil Code) is only possible on the condition that the supplier has provided all deliveries and services owed, including the complete final documentation, and has requested us to accept them by setting a deadline of 14 days. Furthermore, the supplier is obliged to point out to us with such a request for acceptance the consequences of an acceptance which is either undeclared or refused without stating defects.

This provision shall not apply to such contracts where acceptance is excluded for factual or technical reasons.

5. Shipment

The delivery item shall be shipped free of charge to the place of receipt specified by us. Shipping instructions, in particular shipping addresses, must be strictly observed. Costs arising from non-compliance with the shipping instructions shall be borne by the contractor, unless the contractor proves that it is beyond his responsibility.

6. Passing of risk

The risk shall only pass to us after delivery at the place of receipt determined by us.

7. Retention of title

- 7.1. Retentions of title by the supplier shall only apply insofar as they relate to our payment obligation for the respective deliveries or services to which the contractual partner retains title.

- 7.2. All forms of extended and prolonged retention of title are precluded; a retention of title effectively declared by the contracting party shall only apply to the goods delivered to us and until payment for them has been made.

- 7.3. If we make payment in instalments, we shall be granted pro-rata co-ownership of the item to the extent of such instalments.

8. Material defects

- 8.1. With regard to material defects and defects of title of the delivered goods or the work performed as well as with regard to other breaches of duty, the statutory provisions shall apply, unless otherwise stipulated below.

- 8.2. The supplier shall indemnify us upon first request against all claims from third parties, which are raised on account of defects, infringement of third-party property rights or product damage of his delivery, due to his share of responsibility or fault.

- 8.3. The supplier warrants the existence of adequate product liability insurance.

- 8.4. Our claims for defects against the supplier shall become time-barred 36 months after the transfer of risk. This shall not apply if the statutory limitation period exceeds this.

- 8.5. Inspection and complaint periods commence upon the arrival of the delivery at the place of receipt specified by us. We comply with our obligation to give notice of defects by inspecting the goods after receipt and giving notice of obvious defects within 14 days after receipt of the delivery. All other defects which only become apparent during processing or commissioning or other hidden defects shall be notified by us immediately after their discovery within the limitation period. The limitation period shall be suspended for the period of rectification and replacement delivery measures by the supplier from receipt of our notice of defect until the supplier declares completion of the measure or refuses further rectification.

- 8.6. If the goods are defective and the supplier does not fulfil his obligation to remedy the defect or provide subsequent performance within the reasonable period set by us, we may remedy the defect by way of self-performance and demand compensation or an advance on costs for the necessary expenses. It is not necessary to set a deadline if the supplier seriously and finally refuses to remedy the defect or if the remedy has already failed; the same applies in cases of particular urgency, risk to operational safety or imminent occurrence of disproportionate damage, to the extent it is no longer possible to inform the contractual partner of the defect and the impending damage due to the urgency and to set him a reasonable deadline for his own remedy.

As post-performance, we may, at our discretion, demand free rectification (elimination of the defect) or free replacement delivery.

- 8.7. The removal and return delivery of rejected delivery items shall be at the supplier's expense and risk. The above provisions shall also apply to replacement deliveries and rectification work. The statutory claims applicable in all other respects shall remain reserved. The supplier bears the burden of proof that he is not responsible for defects or damage.

- 8.8. In the case of technical delivery items, the supplier guarantees us a supply of spare parts at market prices for a period of at least eight years after the passing of risk in the respective delivery item to us. If he cannot guarantee such a supply, we must be expressly informed of this in writing.

9. Liability

- 9.1. The supplier's liability shall be determined in accordance with the statutory provisions, unless otherwise agreed.
- 9.2. The supplier is obliged to maintain sufficient liability insurance to cover the liability risks associated with our order or to cover the liability risks associated with his delivery to be made for us. The supplier is obliged to submit a corresponding confirmation of cover from the insurer at our request.
- 9.3. If claims are made against us on the basis of so-called producer or environmental liability or on the basis of violation of official or other safety regulations or standards, the supplier shall indemnify us against these claims at our request. This shall not apply insofar as the supplier proves that the damage was not culpably caused by his deliveries or by him in another form.
- 9.4. The supplier shall also be obliged to indemnify us against all claims for damages by third parties which third parties assert against us for reasons based on a defect in the supplier's delivery/service, unless the supplier proves to the customer that he is not responsible for the event having caused the damage. The above provisions shall also apply if the supplier makes use of a vicarious agent.
- 9.5. We shall be liable in accordance with the statutory provisions, whereby we shall not be liable for damage based on a slightly negligent breach of duty by us or by one of our legal representatives, employees or by our vicarious agents, unless it is a matter of liability arising from injury to life, limb or health.

10. Property rights

- 10.1. The supplier warrants that no third-party property rights are infringed in connection with his delivery or service. The supplier is obliged – provided that he is at fault – to indemnify us against all claims of third parties in this respect. In the event that licences, including sub-licences, are granted, the supplier shall be obliged to ensure at his own expense that we are permitted to use the goods in the relevant countries in which the corresponding property rights or copyrights exist.
- 10.2. We are exclusively entitled to property rights or copyrights to products or processes developed by the supplier on our behalf. Upon delivery to us, all samples, drawings, formulas, tools, software including source code and the like shall be handed over. To the extent that property rights or copyrights arise in the supplier's area, the supplier shall be obliged to pass these onto us upon delivery.
- 10.3. Unless otherwise agreed, the supplier shall only be entitled to publish the result or partial results, to pass them on to third parties or to exploit them in any other way with our prior written consent.

11. Prices, invoicing and terms of payment

- 11.1. The contractually agreed price is a fixed price. In the event of price information missing, we reserve the right to accept the prices calculated later. Unless otherwise agreed in writing, the prices shall be understood to be "free domicile" including packaging, customs duty and insurance to the specified shipping address/place of use. All prices are net prices plus the value added tax legally owed at the time of performance and delivery. If we do not keep the packaging, it will be returned at the supplier's expense and invoiced packaging costs will be deducted; this also applies to pallets of any kind.
- 11.2. Invoices are to be provided with our order / project Nos. and name of our contact person and sent to our business address or the delivery address named, if applicable.
- 11.3. After complete, fault-free delivery and receipt of the proper, verifiable invoice documents, we shall pay, subject to later auditing
 - within 14 days with a 3% discount or
 - within 30 days net at our discretion by cheque, bank transfer, discountable bill of acceptance or, insofar as agreed between us and the supplier, by credit note procedure.
- 11.4. The above payment periods shall not commence until the deliveries have been received by us in full or the services have been rendered in full or – insofar as agreed or provided for by law – accepted and all ancillary obligations have also been fulfilled.
- 11.5. We are fully entitled to rights of set-off and retention as well as the defence of failure to perform the contract. Due payments may be withheld in particular insofar as claims exist due to incomplete or defective performance.

12. Assignment and set-off

- 12.1. Claims may only be assigned with our written consent. The supplier shall inform us immediately in advance if the assignment of the claim arising against us is necessary due to an extended retention of title of any upstream suppliers. This shall not apply in the case of assignment of a monetary claim pursuant to Section 354a HGB (German Commercial Code).
- 12.2. The supplier may only offset against undisputed or legally established claims. The same applies to rights of retention, which must also be based on the same contractual relationship.

13. Secrecy and design protection

- 13.1. The supplier shall treat the order and all non-obvious commercial and technical details (confidential information) which become known to him through the business relationship with us as a business secret and thus strictly confidential, shall not make them directly or indirectly accessible to third parties, either in whole or in part, and shall use them exclusively for the contractually intended purposes. Any disclosure to third parties is not permitted. The supplier shall also treat as confidential and keep secret all other information submitted to the supplier in connection with the placing and execution of the order concerning quantities, prices, etc. as well as any other knowledge obtained concerning all our operational processes.

- 13.2. The supplier is aware that, in case of doubt, this confidential information has not previously been known or readily accessible either in its entirety or in its details and is therefore of economic value and is protected on the part of the holder by appropriate confidentiality measures. To the extent that any confidential information under this agreement does not meet the requirements of a trade secret within the meaning of the German Trade Secrets Protection Act (GeschGehG), such information shall nevertheless be subject to the confidentiality obligations under this agreement. These special confidentiality obligations shall apply for 72 months from the termination of the agreement.
- 13.3. Drawings, samples, formulas, tools and other documents, information and objects which have been provided, delivered, paid for or invoiced to us for the purpose of submitting an offer or executing a contract shall remain our property or become our property and may not be reproduced or used for purposes other than those stipulated in the contract without our express written consent. They are to be returned to us without request after rejection of the offer or after execution of the contract. Until their return, the supplier shall keep them in proper custody, keep them free from encumbrances by third parties and insure them – to the extent that is usual – at his own expense at their replacement value. In the event of loss or reduction in value, with the exception of normal wear and tear, the supplier shall be held liable to pay compensation.
- 13.4. The documents and aids (e.g., drawings, illustrations, drafts, calculations, plans, models, samples, technical specifications, data storage media) made available by us to the supplier for production must be checked by the supplier immediately after receipt for completeness, correctness and freedom from defects. If the supplier discovers any defects, he shall notify us thereof in writing without undue delay, specifying the defect he assumes to exist. If the supplier fails to make this notification, the supplier shall be liable for the resulting damage.
- 13.5. The supplier undertakes to expressly refer his employees and vicarious agents' attention to the obligations set out in the above clauses and to oblige them to comply with them.
- 13.6. Technical documentation, documents, drawings, diagrams, schematics, graphics, photographs, layout templates and other documentation and similar documents produced by the supplier or his vicarious agents within the scope of the performance of the contract – whether on data storage media, in printed form or as material for print preparation or printing – as well as all samples, tools, materials and other operating resources shall become our property upon being made available to us. We shall receive all property rights, rights of use and exploitation rights to all aforementioned copyrightable works – to the extent permitted by law. No separate remuneration is owed by us for the transfer of the above rights.

14. Place of performance; place of jurisdiction; applicable law

- 14.1. The place of performance for all contractual obligations is the place of receipt designated by us. The exclusive place of jurisdiction for all disputes is Dresden. However, we are also entitled to sue the supplier at his general place of jurisdiction.
- 14.2. In addition to these TCP, German law shall apply, excluding the conflict-of-laws provisions and the United Nations Convention on Contracts for the International Sale of Goods (CISG, UN Sales Convention).

15. Employee protection, data protection, compliance and miscellaneous

- 15.1. The supplier is permitted to advertise or name us in any form as a reference to an order initiated by us or a business relationship existing with us only with our written permission.
- 15.2. Should individual provisions of this contract violate mandatory law in whole or in part or be void or ineffective for other reasons, the validity of the remaining provisions shall remain unaffected.
- 15.3. The supplier undertakes to also comply with all statutory provisions for the protection of employees, in particular all provisions of the German Act on the Posting of Workers (AEntG) and the Minimum Wage Act (MiLoG) as well as the collective bargaining provisions affecting his business. The supplier is obliged to provide evidence of compliance with the provisions of the Minimum Wage Act once a year. In the event that this evidence is not provided, we shall be entitled to withhold payments due. The supplier shall provide us with all documents necessary for proof of compliance. The supplier shall make sure that his subcontractors comply with these requirements and are contractually obliged to do so. He is obliged to actively work towards compliance with the statutory provisions in the event of any doubts arising. The supplier shall indemnify us internally against all possible claims which may be asserted against us due to a violation by the supplier or one of his subcontractors against the AEntG, the MiLoG as well as other legal regulations that may impose liability. In particular, the supplier undertakes to support us in the best possible way in the defence against alleged claims in this respect and to provide the information required for this purpose. In the event of a breach by the supplier of one of the obligations mentioned above, we shall be entitled to terminate the order/contract without notice (withdrawal of order). Furthermore, after the withdrawal of the order, we are entitled to having the part of the performance not yet completed carried out by a third party at the supplier's expense.
- 15.4. We have established compliance guidelines. The supplier acknowledges these guidelines. They have been published at <https://www.gicon.de/firma/compliance.html>.
- 15.5. We would like to be informed about illegal behaviour in our company in order to be able to clarify and stop such behaviour. Therefore, we encourage everyone – whether employee, former colleague, customer, supplier or third party – to inform us of any violations of the law.
- 15.6. Data protection and confidentiality are of great importance to us. We store, process and use the data required for the processing of the contract at a central place. This data will only be passed on to third parties insofar as this is permissible under the statutory regulations of the General Data Protection Regulation and the German Federal Data Protection Act.