

General Purchase Conditions (GPC)
of BEK Systemtechnik Baugruppen und Elektronische Komponenten GmbH & Co.
(as per: January 2012)

Section 1
Scope of Application

- 1.1 These General Purchase Conditions ("GPC") apply to all business transactions (deliveries and services) between BEK Systemtechnik Baugruppen und Elektronische Komponenten GmbH & Co. ("BEK") and the supplier, even in the absence of an express reference to these GPC. Terms and conditions of the supplier which conflict with, supplement the scope of or deviate from these GPC do not become part of the contract unless BEK has expressly agreed to their application in writing. The present General Purchase Conditions apply even if BEK accepts the supplier's delivery without reservations while being aware of the supplier's conflicting or deviating terms and conditions.
- 1.2 Rights beyond the scope of these General Purchase Conditions to which BEK is entitled according to the statutory provisions remain unaffected.

Section 2
Conclusion of Contract and Changes to the Contract

- 2.1 A request for a quote submitted to the supplier by BEK or any person acting on behalf of BEK does not include an assumption by BEK of the cost of preparing the quote. The supplier may demand to be paid for preparing the quote only if it has made a written arrangement to this effect with BEK in advance. The supplier shall keep its quote as close as possible to BEK's request. If deviations from BEK's request cannot be avoided, this must expressly be pointed out to BEK by the supplier in writing.
- 2.2 Unless a different period of time has been stipulated by the supplier, the supplier's quote shall be binding upon it for a period of 60 days.
- 2.3 Orders do not become binding until after they have been placed by BEK in writing or, in the case of orders placed verbally, by telephone or with the use of other means of telecommunication, after they have been confirmed in writing. Orders which have been generated with the use of automatic devices and contain no signature and name shall be deemed written orders. BEK's failure to reply to quotes, requests or other declarations of the supplier shall be deemed consent only where this has expressly been agreed upon in writing. To the extent that orders contain obvious mistakes or orthographic or arithmetic errors, they shall not be binding upon BEK.
- 2.4 The supplier is obliged to notify BEK in writing before the conclusion of the contract if the ordered goods are subject to export controls or to other restrictions on marketability according to the regulations applicable in the Federal Republic of Germany. Otherwise, BEK will be entitled to withdraw from the contract without first fixing a deadline for performance and without having regard to whether or not there has been fault on the part of the supplier. This does not affect further claims of BEK.
- 2.5 The supplier shall issue to BEK without undue delay, but no later than one week after the receipt of the order, a written confirmation of the order in which the price and the delivery date are expressly stated. If the confirmation of the order deviates from the order, the deviations will be deemed agreed upon only if and when they are expressly confirmed by BEK in writing.
- 2.6 BEK will be entitled to change the order. The supplier must advise BEK in writing of the consequences of any desired change to the order (e.g., increase in costs or deterioration in quality). The supplier may not implement changes until after BEK has given its written consent to the consequences of the desired change.
- 2.7 If the supplier discovers during the performance of a contract that deviations from the originally agreed specifications are necessary or advantageous, it must so advise BEK without undue delay and submit change proposals. BEK will inform the supplier of whether it wishes the supplier to make changes to the original order and if so, what changes. If, as a result of these changes, there is a change in the cost incurred by the supplier for the performance of the order, both BEK and the supplier shall be entitled to demand an according adjustment of the agreed prices.
- 2.8 Confirmations of orders, notices of dispatch, waybills, delivery notes, invoices and other correspondence from the supplier must state, in particular, the order number, order date and supplier number.

Section 3
Prices, Payment, Assignment

- 3.1 The prices stated in the order are binding and inclusive of freight, insurance, packaging and all other additional charges free to the place of delivery specified by BEK. Increases in prices, made for whatever reason, will be recognized by BEK even in the case of long-term supply contracts only if an according agreement has been entered into in writing in this respect. Statutory value-added tax is included in the price unless the price has expressly been designated as a net price.
- 3.2 Invoices must be issued without undue delay upon dispatch of the goods and for each order separately and must state the order number and the tax number; value-added tax is to be stated separately in the invoice. Invoices not issued in due form will not be deemed issued.
- 3.3 Payment by BEK will occur upon acceptance of the goods and receipt of the invoice within 14 days with a deduction of a 3% discount, or within 30 days net.
- 3.4 If a consignment is deficient, BEK will be entitled to withhold payment until the order has been properly performed without forfeiting its right to rebates, discounts or similar price reductions. The period allowed for payment commences as soon as all defects have been entirely remedied. If the goods are delivered early, the period allowed for payment does not commence until the agreed delivery date. To the extent that the supplier is obliged to supply materials tests, inspection reports, quality documents or other documents along with the goods, the receipt of these documents will be a requirement for acceptance of the goods by BEK.

- 3.5 If BEK defaults on its obligation to pay, the supplier may demand from BEK default interest of 2% above the basic interest rate applicable from time to time, due regard being had to the current interest situation, unless BEK can prove that the damage actually sustained by the supplier remains below this amount. The supplier may withdraw from the contract if, after BEK has defaulted on its obligation to pay, the supplier has set a reasonable additional period of time for payment, also indicating that failure to pay will result in refusal of acceptance, and this additional period of time has expired without payment by BEK.
- 3.6 Payments will be made solely to the supplier. Counterclaims of the supplier may be set off by the supplier only if they have been finally established by judgment or otherwise or if they are undisputed. The supplier may assert a right to retain only if its counterclaim is based on the same contract.

Section 4
Delivery, Passing of Risk and Transfer of Title

- 4.1 Deliveries will be free delivery address.
- 4.2 Each consignment must include the complete accompanying documents/delivery note; additionally, these documents must imperatively state the order number of BEK. Technical certificates, certifications, inspection reports, acceptance reports, quality test reports and other documents required for the agreed use of the goods must be supplied free of charge along with the goods.
- 4.3 The goods must be delivered in a packaging appropriate to the nature of the goods, regard being had to the means of transportation used and to the general packaging requirements, if any, applicable to these means of transportation. In particular, the goods must be packed in such a manner as to prevent damage in transit. Packaging materials shall be used only to the extent required for this purpose.
- 4.4 The supplier bears the risk of accidental loss or destruction or accidental deterioration of the goods until their acceptance by BEK. If the supplier is obliged to carry out the set-up or assembly of the goods, the risk will not pass to BEK until after the goods have been placed in operation.
- 4.5 Title to the goods will be transferred to BEK directly and free of encumbrances with the handover of the goods.

Section 5
Deadlines and Delay in Delivery

- 5.1 Agreed dates and deadlines are binding and must strictly be met. The decisive point in time in this regard is the receipt of the consignment at BEK's place of business or at the place of delivery specified by BEK. Delivery periods commence on the day the order is issued.
- 5.2 As soon as the supplier realizes that there will possibly be a delay in delivery, the supplier must so advise BEK without undue delay in writing, also stating the reasons for and the probable duration of the delay. This does not affect the binding nature of the agreed delivery date.
- 5.3 Delivery before the agreed delivery date is only permissible with the prior written consent of BEK. If the delivery is made before the agreed delivery date, BEK will be entitled to refuse acceptance of the delivery or to store the consignment at the expense of the supplier. Moreover, BEK will be entitled to refuse acceptance of partial deliveries.
- 5.4 In the event of a delay in delivery, BEK may withdraw from the contract regardless of whether or not there has been fault on the part of the supplier. If the supplier defaults on its obligation to deliver, BEK shall be entitled to claim liquidated damages of 0.1% of the order value for each day of default, but not more than 5% of the order value in total. This does not apply in cases of force majeure. BEK may reserve the right to claim liquidated damages, as required pursuant to Sec. 341 (3) of the German Civil Code ("BGB"), for as long as the delivery or other performance has not been paid for in full. Liquidated damages do not result in an exclusion of the right to assert further claims for damages.
- 5.5 BEK's claim for delivery will not be excluded until, at BEK's request, the supplier pays damages in lieu of the delivery. Acceptance of the late delivery does not constitute a waiver of claims for damages.

Section 6
Defects as to Quality and Title

- 6.1 The supplier warrants that the goods supplied are state-of-the-art and in compliance with the applicable legal provisions and with the regulations and guidelines issued by public authorities, employers' liability insurance associations and trade associations, in particular, the German Ordinance on Hazardous Substances (*Gefahrstoffverordnung*), the German Equipment and Product Safety Act (*Geräte- und Produktsicherheitsgesetz*) and the accident-prevention, safety-at-work, environmental and other safety and preventive regulations, also and in particular the German industrial standards ("DIN") and the rules stipulated by the German VDE Association for Electrical, Electronic and Information Technologies. In the event of liability, the supplier will indemnify and hold BEK harmless from and against all third-party claims asserted against BEK or its customers for breach of any of these regulations. This does not affect further claims of BEK against the supplier.
- 6.2 BEK shall report visible defects to the supplier within 10 working days after acceptance of the goods, and hidden defects within 10 working days from their discovery. In this respect, the supplier waives the plea of defects having been reported late. Neither BEK's taking delivery of the goods nor the processing of, payment for or issue of subsequent orders for goods which have not yet been found to be defective and which, therefore, have not yet been reported as being defective shall constitute an approval of the delivery or a waiver of claims for defects.
- 6.3 Where consignments are comprised of a large number of goods that are identical in construction, BEK may limit the examination for defects to a reasonable portion of the goods supplied. If the goods become

impossible to sell as a result of the examination, a random sample of 0.5% of the pieces supplied shall be sufficient. In the event that single random samples of a consignment are defective, BEK may demand that the supplier single the defective pieces out or, at its choice, assert claims for defects with respect to the entire consignment.

- 6.4 BEK is fully entitled to the statutory rights for defects as to quality and title. BEK may choose between repair and replacement delivery. The supplier must bear all necessary expenses which BEK incurs in connection with the repair or replacement delivery. If the repair or replacement delivery does not occur within a reasonable period of time or fails, or if the setting of an additional period of time can be dispensed with, BEK may withdraw from the contract or claim damages in lieu of performance according to the statutory provisions.
- 6.5 If the supplier fails to perform its obligation to carry out repairs or make a replacement delivery within a reasonable additional period of time set by BEK and the supplier does not have the right to refuse the repair or replacement delivery, BEK may carry out the necessary measures itself, or have them carried out by a third party, at the supplier's expense and risk. In cases where it is not possible to notify the supplier of the defect and the impending damage and to set an even short period of time for remedial action because of particular urgency and/or because the damage to be expected in the absence of immediate remedial action is unreasonably high as compared to the warranty obligation, BEK may take the necessary measures immediately and without prior consultation of the supplier. This does not affect BEK's entitlement to damages, especially the right to claim damages in lieu of performance.
- 6.6 The limitation period for claims for defects is 24 months from the passing of risk. With respect to defects reported during the limitation period, the claims for defects shall become time-barred no earlier than six months after the defects have been reported. If BEK purchases the goods for resale, the limitation period will not commence until the point in time at which the limitation period applicable to the resale of the goods commences, but no later than six months after the risk passes to BEK. The same shall apply if BEK purchases the goods for further processing.
- 6.7 If the supplier carries out repairs or makes a replacement delivery, the limitation period will commence anew unless the supplier carries out the repair or makes the replacement delivery as a gesture of goodwill, rather than in the performance of an (assumed) obligation of the supplier to carry out repairs or make a replacement delivery.
- 6.8 If, in connection with defects of the items supplied, BEK incurs costs – in particular, transport, travel, personnel or materials costs, or costs for an examination of the incoming goods which exceeds the normal scope of such examinations, or costs for measures to single out the defective products – the supplier is obliged to reimburse these costs.
- 6.9 If a defect as to quality becomes apparent within 6 months of the passing of risk, it will be assumed that the defect has already existed at the time of the passing of risk unless this assumption is not compatible with the nature of the item or defect.
- 6.10 If the supplier supplies goods for which replacement parts are necessary, the supplier undertakes to supply BEK with the necessary replacement parts and accessories for a period of another ten years following the expiry of the limitation period.
- 6.11 This does not affect further-reaching guarantees given by the supplier.

Section 7 Product Liability

- 7.1 The supplier is obliged to indemnify and hold BEK harmless from and against any third-party claims arising from product liability which are due to a defect of a product supplied by the supplier to the extent that the supplier is responsible for product defects and for the damage sustained according to the principles of product liability law. This does not affect further claims against the supplier.
- 7.2 On the same conditions as are stipulated in the first sentence of Section 7.1 above, the supplier is obliged to reimburse BEK particularly for such expenses as result from, or as are incurred in connection with, preventive measures taken by BEK against its being held liable for product defects, in particular, product warnings, an exchange of products or product recalls. To the extent possible and reasonable, BEK will advise the supplier of the contents and scope of the measures to be taken and give the supplier the opportunity to comment thereon.
- 7.3 The supplier must insure to a reasonable extent against all risks arising from product liability, including the risk of product recalls, and shall present the insurance policy to BEK as evidence, if so requested.
- 7.4 The supplier is obliged to label its products in such a manner that they can be recognized as the supplier's products on a permanent basis, as far as this can be done at a reasonable cost.

Section 8 Property Rights and Confidentiality

- 8.1 The supplier warrants that the delivery and use of the goods do not infringe any patents, licenses or other third-party property rights or copyrights. This does not apply in cases where the goods have been developed by BEK. If, due to the delivery or use of the goods, BEK or its customers are held liable by any third party for infringement of any such rights, the supplier shall be obliged to indemnify BEK or its customers against these claims and to reimburse BEK for all expenses incurred by BEK in connection with the asserted claims.
- 8.2 The supplier is obliged for an unlimited period of time to maintain the confidentiality of any and all information about BEK of which it becomes aware and which is designated as confidential or can be recognized as a trade or business secret according to other circumstances, and the supplier may neither record nor pass on or otherwise use such information to the extent this is not necessary for the delivery to BEK. The supplier shall make appropriate contractual arrangements with the employees and agents working for it to ensure that these persons, too, refrain for an unlimited period of time from any use, disclosure and unauthorized recording of such trade and business secrets for their own purposes.

Section 9 Provision of Items

- 9.1 Any tools, patterns, samples, models, profiles, drawings, standard sheets, artwork masters, gauges, and other items or documents provided by BEK remain the property of BEK and may not be passed on to any third party or be otherwise used for the supplier's own purposes without express permission given in writing. The supplier must protect such items against unauthorized inspection or use and, unless otherwise agreed, must return them in proper condition with the delivery of the goods, at the latest. The supplier may not keep any copies. A right to retain does not exist with respect to these items.
- 9.2 If the supplier produces goods, tools, drawings or other means of production on behalf of Rutronic or according to the specifications supplied by BEK and such production occurs at the cost of BEK, there is agreement that unlike provided in Section 4.5 above, these goods or means of production will become the property of BEK already with their production. If BEK pays only part of the cost, BEK will acquire a co-ownership interest in the goods and means of production which corresponds to BEK's share in the cost. Moreover, BEK will obtain all rights of use and all exploitation rights with respect to the industrial or other property rights created with the production of the goods and means of production produced according to sentences 1 and 2 above. The supplier has the revocable right to store the means of production for BEK free of charge and with due care. BEK provides the means of production to the supplier on a loan basis for the manufacture of the goods ordered.
- 9.3 The supplier is not authorized to use the items or documents beyond the scope of the order without the written agreement of BEK. In the event of violations, the supplier must pay BEK liquidated damages in the amount of €5,000.00 per violation. This does not affect further claims of BEK. The supplier must mark the items in such a manner as to ensure that the ownership of BEK is documented without a doubt also in relation to third parties.
- 9.4 The supplier is obliged to handle and store all items provided with due care. The supplier must insure the items provided at its own expense at replacement value against damage by fire, water and theft. The supplier assigns to BEK in advance all claims for compensation arising from such insurance. BEK hereby accepts the assignment.
- 9.5 The supplier shall be obliged to carry out all necessary maintenance and inspection work and all servicing and repair work with respect to the items provided in a timely manner at its own expense. The supplier shall advise BEK without undue delay of any damage.

Section 10 Force Majeure

- 10.1 If BEK is prevented from performing its contractual obligations – in particular, from accepting the goods – by an event of force majeure, BEK shall be released from its obligation to perform for the duration of the impediment and a reasonable start-up period without being liable towards the supplier for damages. The same shall apply if the performance of its obligations by BEK is unreasonably impeded or becomes temporarily impossible because of unforeseeable circumstances for which BEK is not responsible, in particular, because of industrial action, official measures, energy shortage or major disruptions of operations.
- 10.2 BEK has the right to withdraw from the contract if an impediment according to Section 10.1 above continues for more than four months and if, as a result of such impediment, the performance of the contract is no longer of interest to BEK. At the request of the supplier, BEK will declare after the expiry of the aforementioned four-month period whether it will make use of its right to withdraw from the contract or whether it will accept the goods within a reasonable period of time.

Section 11 Limitation of Liability

BEK assumes unlimited liability for any damage resulting from breach of guarantee or from death, bodily injury or damage to health. This applies also to willful misconduct and gross negligence. In cases of slight negligence, BEK will be liable only in the event of a breach of material contractual obligations which result from the nature of the contract and are of particular relevance for the purpose of the contract to be achieved. Where such obligations are breached, BEK's liability shall be limited to such damage as must typically be expected in the context of the contract. This does not affect mandatory statutory liability for product defects.

Section 12 Miscellaneous

- 12.1 The supplier may transfer rights and obligations under contracts with BEK to a third party or have an order or material parts of an order performed by a third party only with the prior written consent of BEK.
- 12.2 Suppliers of the supplier will be deemed persons employed by the supplier in the performance of its obligations (*Erfüllungsgehilfen*).
- 12.3 For both parties, place of performance for the entire performance of the contract, especially for delivery and payment, shall be the seat of BEK or such other place of performance as is specified by BEK.
- 12.4 Exclusive place of jurisdiction for all disputes arising out of the business relationship between BEK and the supplier shall be the seat of BEK. At its choice, BEK may additionally sue the supplier at the supplier's seat and at any other permissible place of jurisdiction.
- 12.5 The legal relationships between BEK and the supplier shall be governed by the laws of the Federal Republic of Germany to the exclusion of the United Nations Convention on Contracts for the International Sale of Goods (CISG).