

STANDARD TERMS AND CONDITIONS OF PURCHASE

of PS Automation GmbH Gesellschaft für Antriebstechnik.
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§1

General Scope of Validity

- (1) Our purchasing conditions apply exclusively; we do not recognise contradictory conditions, or conditions from the supplier that differ from our conditions, unless we have expressly agreed to their validity in writing. Our purchasing conditions are also valid regardless of whether we are informed of contrary or supplementary conditions of our supplier, including when we accept deliveries from the supplier.
- (2) All agreements between our company and the supplier for the purpose of executing this contract must be added to the contract in writing.
- (3) Our terms and conditions of purchase shall only apply to entrepreneurs according to § 14 BGB (German Civil Code), legal persons under public law or special funds under public law.
- (4) Our terms and conditions of purchase are also valid for all future business with the supplier.

§ 2

Offer - Offer Documentation

- (1) The supplier is obliged to accept our orders within a period of 2 weeks.
- (2) Regarding all drawings, calculations and other documents which have been made available, we shall retain the right of property and copyright; they may not be made accessible to third parties without our written permission. They shall be used exclusively for the production based on our order. They are to be concealed from third parties; in this respect § 10 section (4) applies in addition.

§ 3

Prices and Payment Conditions

- (1) The fixed price stated in the order is binding. Unless agreed otherwise, the price shall include packaging material and delivery "free domicile". The return of packaging material must be agreed separately.
- (2) Value-added tax is not included in the stated price. The statutory value-added tax applicable must be indicated.
- (3) We can only process invoices, if they are in accordance with our purchase order guidelines and if they include the complete stated purchase order and identification numbers; the supplier is responsible for all consequences arising due to non-compliance of this obligation, unless he is able to prove that he is not responsible for these consequences.
- (4) Invoices which do not comply with our requirements, in particular when the order numbers are missing, will be immediately sent back to the Contractor. In this case, the cash discount period does not start to run before receipt of the amended invoice.
- (5) We shall pay in the absence of agreement to the contrary, the purchase price within 14 days calculated from delivery date and receipt of invoice with 3% discount or net within 60 days.
- (6) The rights of offsetting and retention are available to us according to statutory provisions

§ 4

Delivery Period

- (1) The delivery time specified in the purchase order is binding.
- (2) The supplier is obliged to notify us in writing without delay if circumstances arise or if such circumstances become recognisable to him, which result in his being unable to observe the stipulated delivery period.
- (3) In case of default of delivery, we are entitled to levy a weekly flat charge for damage caused by delay at a rate of 1 % of the value of the delivery, though not exceeding 10%; all rights to continued legal claims remain reserved (withdrawal from the contract or damages in lieu of performance). The supplier has the right to prove to us that no or significantly less damage has arisen as a result of the delay.

§5

Delivery Note - Receipt of Goods

- (1) Each shipment must include a delivery note with all the required markings in our order, in particular order numbers, part numbers and identification numbers. Partial and remaining deliveries must be specially marked.
- (2) To make it possible to ascertain the content of a shipment without opening it, the delivery note must be inserted either under the adhesive label or in an envelope attached to the outside of the package clearly marked as "delivery note".
- (3) Our receiving department is open: Monday - Thursday from 8:00 - 12:00 and 13:00 - 16:00 in the afternoons. Fridays from 8:00 - 12:00 and 13:00 - 15:00 in the afternoons. Advanced notice must be given for express deliveries outside of opening hours.

§6

Transfer of Risk - Documentation

- (1) Unless agreed upon differently in writing, the delivery must be made "free domicile".
- (2) The supplier is obliged to state exact order numbers according to § 5 section (1) of these terms and conditions of purchase on all shipping and delivery documents. If supplier fails to do so, we will not take responsibility for delays in processing.

§7

Defect Investigation and Guarantee

- (1) We shall be obligated to examine the goods for any deviations in quality and quantity within reasonable time-limits; any respective complaint shall be considered as made in due time if it reaches the supplier within a period of 5 working days, calculated in each case as from receipt of the goods, or in the case of hidden defects as from time of determination.
- (2) We are entitled to all legal claims under warranty in full; notwithstanding this entitlement, we are also entitled to request elimination of defects or replacement deliveries from the supplier at our discretion. In this case the supplier is obliged to compensate for all expenses required to eliminate the defects or provide a replacement delivery. The right to claim compensation especially instead of performance remains explicitly reserved.
- (3) The warranty period shall be 24 months calculated from the transfer of risk.

§ 8

Product Liability - Indemnity - Third-Party Insurance

- (1) If suppliers are responsible for product damage, they shall be obliged to exempt us from claims to compensation for damages from third parties upon initial request, if the cause is to be found in their territory and organisation domain and they are liable externally themselves.
- (2) Within the scope of his liability for claims in terms of section (1) the supplier is also obligated according to §§ 683, 670 BGB (German Civil Code) as well as §§ 830, 840, 426 BGB (German Civil Code) to reimburse any expenses which may arise from, or are in connection with, a product recall which we may conduct. We shall inform the supplier of the content and scope of the recall measures to be performed - to the extent possible and reasonable - to allow opportunity for comment. Other statutory rights remain unaffected.
- (3) Supplier undertakes to maintain product liability insurance with an insured lump sum of at least 10 million Euros per personal injury claim / property claim for the duration of this agreement, i.e. until expiration of the respective limitation period. If we are entitled to further damages, these remain unaffected.

§ 9

Intellectual Property Rights

- (1) In connection with the delivery, the supplier shall be responsible for ensuring that intellectual property rights and other third party rights are not violated.
- (2) If claims are asserted against us by a third party due to such infringement, the supplier shall be obliged to indemnify us from these claims upon the first written request; we are not entitled to conclude any agreements with the third party - in particular to make a compromise without the permission of the supplier.
- (3) Supplier's indemnification covers all expenses necessarily incurred by us as a result of or in connection with such third party claims.
- (4) The limitation period for such claims is 10 years, commencing with the conclusion of this contract.

§ 10

Rights to work results - Exclusivity

- (1) All rights to the work results from the manufacturing of the products and/or the rendition of services shall belong exclusively to us. This includes but is not limited to all forms of intellectual property right such as copyrights, ancillary copyrights, know how, inventions, patents, designs, designations and utility models as well as corresponding documentation, files or other media. Title in and to the work results shall pass on to us together with the delivery of the products and/or the rendition of the services.
- (2) It is understood and agreed that Supplier manufactures the products to be supplied to us and the services to be rendered to us according to certain specifications with regard to the manufacturing process and/or instructions with regard to the rendition of services that we have provided to Supplier for such purpose. Supplier shall therefore not sell or otherwise transfer the products or render services prepared according to the instructions to any third party without our prior written authorization.

§ 11

Reservation of Ownership - Provision of Materials - Tools - Secrecy

- (1) We retain title to all goods provided by us to the supplier. Processing or alteration of such goods will be performed by the supplier on our behalf. If the items subject to our retention of title are processed with other objects not belonging to us, then we shall acquire co-ownership of the new item in proportion to the ratio of the value of our item (purchase price plus value-added tax) to the other processed objects at the time of processing.
- (2) If the item supplied by us is intermixed inseparably with others not belonging to us, we shall acquire co-ownership of the new item in proportion to the value of the conditional goods (property price plus value-added tax) to the other intermixed articles at the time of intermixture. Should the items be combined in such a way that the item of the supplier is considered to be the principle object, it is agreed that the supplier grants us proportional joint property rights and keeps the sole or joint property rights in his custody for us.
- (3) We reserve our title to tools; the supplier is under obligation to use the tools solely for the manufacture of the goods that we have ordered. The supplier shall be obliged to insure the tools belonging to us at replacement value at its own expense against fire, water and theft. At the same time, the supplier already now assigns all claims for compensation from this insurance to us; we hereby accept this assignment. The supplier is under obligation to perform any necessary maintenance and inspection work on our tools, as well as all repair and maintenance work on the same, in good time and at his own cost. The supplier shall report possible breakdowns immediately to us; if he refrains from this culpably, claims of compensation will remain unaffected.

- (4) The Supplier is obliged to treat all received illustrations, drawings, calculations and other documents and information as strictly confidential; they may only be disclosed to third parties with our explicit written permission. The obligation to maintain confidentiality also applies after the settlement of this contract; it becomes invalid if and when the manufacturing knowledge shown in the transferred diagrams, drawings and calculations and other documents has become common knowledge.
- (5) To the extent our collateral rights as defined in section 1 and/or section 2 exceed the purchase price of all our conditional commodities unpaid by more than 20%, we are upon request by the supplier, obligated to release the collateral rights at our discretion.

§ 12

Place of Implementation and Jurisdiction

- (1) Provided that the supplier is a merchant, legal person under public law or special funds under public law, the place of jurisdiction shall be our registered office; however we are entitled to file suit against the supplier at the law courts at his place of legal domicile.
- (2) Unless otherwise stated in the order, our registered office shall be the place of performance.