

Conditions of Purchase

1. General, Written Form

- 1.1. Our orders are based solely on the following contractual conditions and any separate, concluded quality assurance contract even if in individual cases we have not objected to deviating delivery and payment conditions of the Seller, which we hereby expressly reject. Our Conditions of Purchase are deemed to have been accepted by the Seller without reservation at the latest with the dispatch of the goods to us or the provision of the other performance, even in the event of prior objection.
- 1.2. All agreements and understandings require our express written confirmation for their validity.

2. Order an Order Confirmation

- 2.1. Our orders are to be confirmed in writing with indication of a binding delivery period, price, and other conditions within two workdays.
- 2.2. If the Seller does not confirm our orders within two workdays after receipt in writing, we are entitled to revoke our order in writing.

3. Prices

- 3.1. The prices named in our order are deemed fixed prices that may not be changed to our disadvantage even after increases in expenses that arise after conclusion of the contract. The same applies if we order pursuant to the current price list of the Supplier that we have at hand.
- 3.2. The prices are to be framed excluding value-added tax and are carriage paid to the recipient office named by us. Packaging costs are only remunerated separately if this has been expressly agreed. They are to be credited to us after carriage paid return of the packaging.

4. Payment and Setoff

- 4.1. Payment is made with reservation of orderly delivery as well as price and calculation correctness. Deduction of a discount is allowed in the event of setoff or retention of payment in a reasonable amount on account of defects. The discount will be deducted from the invoiced amount including value-added tax.
- 4.2. The payment period begins as soon as the delivery or performance has been made in full and we have received the invoice prepared in an orderly manner, but in no case before the agreed date for receipt of goods. Insofar as the Supplier is to provide test logs, material certificates, quality documents, or other

documents, the complete nature of the delivery and performance also assumes receipt of these documents.

- 4.3. We are entitled to set off all claims to which we are entitled against the Supplier regardless of legal basis.
- 4.4. Payments do not mean recognition of the delivery or performance as in compliance with the contract.

5. Invoices

The order code for each order and the value-added tax are to be listed separately in each invoice. Copies of invoices are to be marked as duplicates. Invoices not prepared in an orderly manner are deemed not to have been issued.

6. Assignment

The assignment of claims against us is only valid with our written agreement.

7. Delivery Periods and Dates

- 7.1. The delivery periods and delivery dates named in our orders are fixed and binding. They are understood as the date when received at the recipient address. The agent is in arrears without a warning as soon as the delivery date agreed in the order has been exceeded. Irrespective of culpability of the agent and independent of proof of actual damages, we are entitled to charge a contract penalty in the amount of 1% of the total contract value per begun calendar day of delivery or performance arrears. The total amount of the contract penalty is limited to 15% of the total order value. The acceptance of the delayed delivery or performance does not include waiver of the contract penalty and additional claims for damages.
- 7.2. Partial deliveries are only allowed on the basis of special agreements.
- 7.3. As soon as the Supplier becomes aware of circumstances that could result in a delay in the delivery or performance, we are to be informed without delay in writing about the reasons for and foreseeable duration of the delay. Our decision is to be obtained regarding the next steps.
- 7.4. We are entitled to refuse acceptance of goods that are delivered before the delivery date indicated in the order and return the delivered goods at the expense and risk of the Supplier.

8. Shipping and Packaging

- 8.1. All shipments of goods are to include shipping documentation and two copies of the delivery slip.
- 8.2. The delivery slip must include additional information about our material and order number, the order date, the amounts, the kind of packaging, and the gross, net, and tare weight. In the event of partial deliveries, the remaining amount to be delivered is to be indicated.
- 8.3. The Supplier is obligated to inform us about any duties to obtain permits for the (re) export of its goods pursuant to German, European, and American export and customs provisions as well as the export and customs provisions of the country of origin of its goods in its business documentation. Here the Supplier will provide the following information in its offers, order confirmations, and invoices for the concerned goods:
 - The export list number pursuant to annex AL of the German Export Business Ordinance [*Aussenwirtschaftsordnung*] or comparable list positions of the relevant export lists,
 - For American goods, the ECCN (Export Control Classification Number) pursuant to the US Export Administration Regulations (EAR), the commercial origin of its goods, and the components of its goods,
 - Whether the goods are transported through the USA, manufactured or stored in the USA, or manufactured with the help of American technology,
 - The statistical goods no. (HS code) of its goods.
- 8.4. The Supplier is obligated to provide us with all additional export data and documentation for its goods and their components before delivery and inform us in writing without delay (before delivery of the concerned goods) about all changes to the data listed above.
- 8.5. A supplier's declaration about the origin of the goods is to be issued to us upon request.
- 8.6. All deliveries are done for invoicing by the Supplier DDP Görlitz including all other expenses pursuant to Incoterms 2010.
- 8.7. All packaging materials can be returned to the Supplier to be borne by it. All packaging used by the Supplier in the scope of the delivery must comply with the applicable environmental recycling provisions, the regulations arising from the German Lifecycle Management Act [*Kreislaufwirtschaftsgesetz*], the German

Packaging Ordinance [*Verpackungsordnung*], and the German Hazardous Materials and Hazardous Goods Ordinance [*Gefahrenstoff- und Gefahrgutverordnung*] and be labelled in the corresponding manner.

9. Transfer of Risk

The Supplier bears the risk until the goods have arrived at us or the destination.

10. Warranty

- 10.1. The Supplier warrants that the goods correspond to our specifications and other data such as standards and documents. It will check the goods for these characteristics before shipment. In any case, the goods must correspond to the recognised rules of technology as well as work safety and prevention of accidents provisions, in particular those defined in DIN standards, VDE provisions, and other recognised technical regulations.
- 10.2. The products delivered by the Supplier must comply with all current German and European regulations for electrical and electronic components regarding environmental protection and labelling, i.e. in particular the RoHS directive, REACH regulation, and customer-specific requirements and the regulations adopted for their implementation, supplement, and change. The list can be viewed in the download area of www.cis.de and has the name "Liste verbotener Stoffe.pdf."
- 10.3. With regard to the commercial duty to inspect and make notifications of defects, it is considered timely if we inspect the incoming goods within two weeks and report obvious defects within this period. We are entitled to carry out the inspection by means of random sampling and, in the event of defects in the goods, return all of the goods or have 100% of them inspect at the expense and risk of the Supplier and demand replacement of the proportion of the goods that are actually defective.
- 10.4. We are entitled to charge a processing fee of € 100.00 for every notification of defects.
- 10.5. The Supplier is to be responsible for the deliveries of its suppliers as for its own. To the extent that nothing else is agreed and the Supplier does not offer longer warranty periods for its products, the Supplier grants a warranty for the duration of three years.

11. Passing on of Orders to Third Parties

The passing on of orders to third parties is not allowed without our written agreement and entitles us to withdraw from the contract in whole or in part and demand damages.

12. Provisions of Materials

- 12.1. Provided materials remain our property and are to be stored, labelled, and managed separately and at no charge and kept accessible for us. Their use is only allowed for our orders. In the event that their value decreases or they are lost, the Supplier is to replace them. This also applies to the charged handover or materials connected to the order.
- 12.2. The processing or reshaping of the materials is done for us. We become the direct owner of the new or restructured items. The Supplier shall store the new item for the us with the due care of a prudent business person at no charge.
- 12.3. Upon our request, the Supplier is to carry out an inventory at no charge.

13. Product and Process Changes

- 13.1. If the Supplier intends to change the product to be delivered, characteristics of the product, or manufacturing processes, it is to announce this early, at least 6 months before the change is launched, in written form to our purchasing department so that we can perform a product or process examination in a timely manner.
- 13.2. The supplier is only entitled to deliver the changed product or produce pursuant to the changed manufacturing process if this has been authorised by us in writing.

14. Tools, Forms, Samples, Drawings

- 14.1. Tools, forms, samples, models, profiles, drawings, standard sheets, forms, instructions, etc. that we hand over to the Supplier for making an offer or executing a contract remain our property and neither they nor objects manufactured pursuant to them may be forwarded to third parties or used for purposes other than contractual ones. They are to be protected against unauthorized viewing or use. With reservation of additional rights we can demand that they be handed over if the Supplier breaches these duties.
- 14.2. In cases in which the Supplier must create special constructions or drawings, it is to submit three copies of these documents before the beginning of manufacturing for examination and authorisation. We do not waive our warranty

claims by acceptance or approval of presented drawings and samples.

- 14.3. Our originals are to be returned to us without delay after preparation of the delivery documents.

15. Confidentiality

- 15.1. All information that is designated by a contractual partner verbally or in writing as confidential, in particular documents, drawings, knowledge, or other business and operational secrets, are to be treated as confidential by the respective other contractual partner and only used for the purpose of fulfilling the order. This confidentiality agreement does not apply to information
 - That has become publicly available without action on the part of the recipient party, or
 - Of which the recipient was verifiably aware at the time the information was given, or
 - That the recipient has received from an entitled third party or which was demanded by an authority in a justified manner, or
 - Is based on knowledge that was acquired independently of the information from the other contractual partner.
- 15.2. Insofar as agents are provided with documents, information, or other aids, these items remain sole property of CiS and may only be used for implementation of the order at its basis. The agent is not entitled to reproduce these objects without the prior agreement of CiS, hand them over to third parties, or give their contents to unauthorised parties. The documents, information, and other aids delivered by CiS and prepared by the agent are to be returned after the work has ended without being requested including duplicates. CiS can demand a corresponding declaration of completeness.
- 15.3. The duty to confidentiality also remains in effect after the ending of the order for a period of three years after the ending.
- 15.4. The agent shall not derive any rights whatsoever to inventions or other protected knowledge of CiS, in particular no rights of prior use, from the knowledge in the information, documents, etc. it receives , and that without prejudice to the periods indicated in patent law.

16. Industrial Property Rights of Third Parties and Producer Liability

- 16.1. The supplier is responsible for the patents and other protective rights of third parties not being infringed by the goods it delivers. It is obligated to release us and, if applicable, our customers in the event of claims of third parties.
- 16.2. Furthermore, the Supplier is obligated to release us from any claims to producer liability to the extent that it is responsible for the error resulting in producer liability.

17. Code of Conduct

- 17.1. The agent will comply with the CiS Supplier Code of Conduct (in the following: Code of Conduct) and obligate the subcontractors it uses in the corresponding manner. CiS shall make the corresponding version of the Code of Conduct available for retrieval at its website (www.cis.de). The Supplier will provide a written declaration from its management upon request of CiS at any time pursuant to which it adheres to all provisions of the Code of Conduct. The agent recognises that observance of the Code of Conduct is a material contractual duty and upon transgression CiS is entitled to terminate the contract without notice in whole or, insofar as the transgression concerns a specific performance, the individual contract for this performance.
- 17.2. CiS reserves the right to claim damages in the event of infringement of the Code of Conduct.

18. Place of Fulfilment, Applicable Law and Legal Venue, Partial Invalidity

- 18.1. Place of fulfilment for all deliveries and performances is Krefeld.
- 18.2. Legal venue for all legal disputes arising from orders and performances is Krefeld. We can also file suit against the Supplier at its general legal venue.
- 18.3. German law is applicable to all legal relationships between us and the Supplier.
- 18.4. The provisions of the UN Convention on Contracts for the International Sale of Goods (CISG) are not applicable.
- 18.5. Should a provision in these Terms and Conditions or a provision in the scope of other agreements be or become invalid, this shall not affect the validity of the remaining provisions and agreements. In this case a regulation is agreed that corresponds to the economic contents of the invalid provision.

19. Personal Data

We save personal data of the Supplier with electronic data processing.