

Purchase Conditions

of Schoeller Electronics Systems GmbH

1. General Terms

- 1.1 Supplies and services (hereinafter called: Supplies) as well as quotations from the suppliers of the Schoeller Electronics Systems GmbH and its associated companies (hereinafter referred to as: "Company") shall solely be conducted on the base of these General Purchasing Conditions (hereinafter referred to as: "General Purchasing Conditions"). Orders and order releases from the Company must be made in writing or by e-mail. Deviating agreements from this or from the general conditions including the modification of the form regulated here or deviating conditions of a Supplier only apply, when they are explicitly agreed on in writing. This also applies then when the Company accepts the delivery of products and the services by the Supplier (hereinafter called: "Supplies") without reservation and pays for them knowing that the terms and conditions are in contrast or deviation from these terms and conditions. Verbal agreements before closing the contract will be replaced by the written contract.
- 1.2 By accepting an offer, an order confirmation or by shipping Supplies, the Supplier accepts that the terms and conditions in the respective valid wording will apply for also further supplies to the Company.
- 1.3 Modifications of terms and conditions will be made known by providing them on the internet pages of the Company under www.ees-pcb.com. Suppliers will be informed about modifications of terms and conditions in writing or by e-mail. The modifications are considered as accepted if not contradicted in writing within 2 weeks after the announcement.
- 1.4 The Company is bound to the orders for two weeks from the date of the order unless agreed otherwise. Order releases become binding if the Supplier does not object them within one week of their receipt. Decisive for the receipt of the acceptance or objection in time is the receipt at the Company's. We reserve ourselves the right of a free cancelation 14 days before date of delivery.
- 1.5 The quality guidelines of the Company are part of this agreement. They can be requested from the Company and are available on the homepage of the Company.

2. Service, Transfer of Risk

- 2.1 Delivery dates agreed upon are binding, especially early deliveries are not allowed either. The Supplier is obliged to inform the Company immediately in writing when circumstances occur or are foreseeable which can lead to the fact that delivery dates, qualities or quantities agreed cannot be met. The rights of the Company will neither be reduced by this nor by an unconditional acceptance of delayed Supplies.
- 2.2 Unless agreed otherwise, the delivery duty paid to a place of destination named is considered as agreed in terms of DDP acc. to Incoterms 2000. Even when dispatch was agreed the risk only passes over to the Company when the Supplies are delivered at the place of destination agreed.
- 2.3 The Supplier has to make sure that his representatives and persons acting on his behalf staying on the premises of the Company in fulfilment of the contract observe the regulations of the respective site.

3. Terms of Payment

- 3.1 Unless otherwise agreed the prices are understood DDP (acc. to Incoterms 2000) including packing and all additional costs (e. g. travel expenses, tooling etc. in case of installation or assembly by the Supplier), however, without value added tax.
- 3.2 Invoices stating P/O number and invoice number have to be directed to the address indicated in the P/O, they are not allowed to be attached to the shipments. Unless agreed otherwise they will be paid either within 14 days with 3 % discount or within 6 weeks without deduction from the date on which the payment becomes due under reserve of the verification of the invoice.

4. Warranty, Liability

- 4.1 In case of defects the Company is unrestrictedly entitled to legal provisions. An acceptance and the approval of samples and prototypes delivered do not represent a waiver of warranty claims.
- 4.2 If the information reaches the Supplier within 10 working days after the point in time mentioned following defects have been anyway notified in time:
 - In case of quality and quantity divergences: After receipt of goods
 - In case of hidden material defects: After detection

- 4.3 In case of a claim being brought against the Company for product liability the Supplier is obliged to release it from such claims if and to the extent that the damage has been caused by a defect product of the Supplier – in such cases of liability based on fault – if a fault is attributable to the Supplier. In such cases the Supplier shall bear any costs and expenses including the costs of a possible legal action or a recall. In addition the legal provisions shall apply.
- 4.4 The Supplier is obliged to maintain a sufficient product insurance on his own costs which unless agreed otherwise in a particular case does not need to cover the risk of a recall or similar damages and of which he will furnish proof any time on request of the Company.

5. Property, Copyrights, Confidentiality

- 5.1 Tooling, equipment, documents and prototypes as well as materials and packing which are made available to the Supplier by the Company or which are produced for contract purposes and charged separately to the Company by the Supplier (in the following: Supplies) may only be used as intended and remain in property of the Company or merge into the property of the Company. A possible processing takes place for the Company, the Company will become a joint proprietor in relation of the value of the Supplies to the value of the entire product of the products produced using the supplies. These and the supplies not used have to be marked by the Supplier as (co-)property of the Company and to be kept safe.
- 5.2 Besides the property the Company reserves all trademark rights including all copyrights of all orders, commissions as well as of drawings, illustrations, prototypes, calculations, descriptions and other documents and data media (in the following: “Protective Goods”) made available to the Supplier.
- 5.3 The Supplier commits himself not to make accessible to third parties any information or any Protective Goods which he receives from the Company directly or indirectly in the frame of the initiation of the contract or contractual relationship and not to use this information commercially for its own use or for a third party or to reproduce it. Without the explicit written consent the Supplier commits himself to use the information and Protective Goods exclusively for the purposes agreed. The Supplier will protect the information and Protective Goods received with the same diligence as he protects his own business and commercial secrets.
- 5.4 The obligation acc. to 5.3 shall not apply for information
- which at the point of time of receipt is already public knowledge or – without any fault of the Supplier – will be later made known publicly;

- which is already known to the Supplier before it has been made accessible or which is later made accessible to him legally by a third party without being obliged to keep it confidential;
- which has to be made public by the Supplier acc. to legal regulations. In this case the Supplier will immediately inform the Company about this and agree the further procedure to the extent permitted in the given case;
- which has been developed or will be developed by the Supplier independent from receipt;
- The burden of proof rests on the Supplier for the exceptional statement of facts mentioned in this figure.

5.5 The provisions in figure 5.3 and 5.4 shall apply vice versa for the Company in the same way.

5.6 On request of the Company at his choice the Supplier is obliged to immediately return all information and Protective Goods received in writing or otherwise (incl. all copies) or to confirm that they are destroyed. Insofar any right to keep them does not exist.

5.7 Retention of title of the Supplier shall only apply insofar as it refers to the obligation of payment of the Company for the respective products of which the Supplier reserves the proprietary rights. Especially all-monies clauses are not allowed.

6. General Provisions

6.1 Place of fulfilment for both parties and exclusive place of jurisdiction for all disputes arising from contractual relationship is Wetter.

At his choice the Company is entitled to initiate legal action against the Supplier at a court at his place.

6.2 The contractual relationships shall be governed exclusively by German law excluding the provisions of conflict law and the United Nations' convention on Contracts for the International Sale of Goods (CISG).

6.3 The English version of these purchase conditions shall be for convenience purposes only. In case of any inconsistencies, the German version shall prevail.

7. Supply chain security

Business partners who are acting on my behalf, need to ensure the supply chain security as mentioned in the following:

- goods, which are produced, stored, forwarded or carried by order of Authorised Economic Operators (AEO), which are delivered to AEO or which are taken for delivery from AEO
 - are produced, stored, prepared and loaded in secure business premises and secure loading and shipping areas
 - are protected against unauthorized interference during production, storage, preparation, loading and transport
- reliable staff is employed for the production, storage, preparation, loading and transport of these goods

Schoeller Electronics Systems GmbH

August 2016