

Purchase Conditions

I. General Terms

1. Our purchase conditions shall be exclusively applicable. We do not recognize and oppose herewith, any general terms of business of the supplier conflicting with or diverging from our purchase conditions, unless we have given our express written consent to their validity. Our purchase conditions shall also apply if we accept and pay for the delivery of products and services by the supplier, in the knowledge of his terms that conflict with or diverge from our purchase conditions.
2. Our purchase conditions shall also apply to any future deliveries and services provided to us by the supplier, until our new purchase conditions become valid.

II. Conclusion and Modifications of a Contract

1. Orders, contracts and order releases, and any modifications and supplements to them, must be made in writing. Orders and order releases can also be made by remote data transmission or telefax.
2. Oral agreements reached before or during the conclusion of a contract must be confirmed by us in writing in order to be valid. Item II.1, clause 2 remains unaffected.
3. Oral agreements reached after the conclusion of a contract, in particular subsequent modifications of and supplements to our purchase conditions – including this clause requiring written form – as well as any kind of collateral agreements must also be confirmed by us in writing in order to be valid.
4. Cost estimates are binding and not to be compensated, unless expressly agreed otherwise.
5. If the supplier does not accept the order within two weeks after its receipt, we have the right to cancel the order. Order releases become binding if the supplier does not reject them within five working days of their receipt.
6. Our quality guidelines form a component of this contract.

III. Delivery

1. Deviations from our contracts and orders are only admissible with our prior written consent.
2. Dates and deadlines agreed upon are binding. Receipt of the goods at our factory premises is the determining factor for the observance of the delivery date or deadline. If the delivery is not agreed to be "Delivered Duty Paid/ Delivered at Place" or "Delivered Duty Unpaid" (Incoterms 2010), the supplier shall make the goods available on time, taking into account the time for loading and dispatch to be agreed with the forwarder.

3. If the supplier has contracted to provide installation or assembly and nothing else has been agreed upon, the supplier shall bear – except as otherwise provided – any necessary ancillary costs such as travelling expenses, tools made available, or daily allowances.
4. If arranged deadlines are not observed, the legal provisions shall apply. If the supplier foresees difficulties regarding the manufacture, the supply of materials required, the observance of the arranged delivery date or similar circumstances which could impede his delivery in due time or in stipulated quality, the supplier shall immediately advise our ordering department.
5. The unconditional acceptance of the delayed delivery or service shall not constitute a waiver of the claims for damages we are entitled to on grounds of delayed delivery or service; this applies until full payment of amounts owed by us for the delivery or service in question.
6. Partial deliveries shall normally be inadmissible, unless we have expressly consented or they are reasonable.
7. The values established by our receiving inspection shall be definitive for quantities, weights and measures, unless different values can be proved.
8. Concerning software within the scope of delivery, including its documentation, we are entitled – in addition to the right of use within the extent permitted by statute (§§ 69a ff. of the UrhG = German Copyright Act) – to use it with the performance features agreed and to the extent required for use of the product in accordance with the contract. We are authorized to make a backup copy, even without express agreement.
9. The supplier waives the defense of a delayed notification of defects (§§ 377, 378 of the HGB = German Commercial Code). This does not apply to defects which are easily recognizable upon delivery of the goods.

IV. Force Majeure

Acts of God, labor conflicts, operational disruptions which are not due to our negligence, riots, government measures and other circumstances beyond our control, provided that they are not of irrelevant duration and result in a considerable decrease of our needs, shall entitle us – without prejudice to our other rights – to withdraw in whole or in part from the contract.

V. Dispatch Note and Invoice

The instructions in our orders and order releases must be observed. One copy of the invoice shall be sent to the address indicated, stating the invoice number and other references; it must not be included with the shipment.

VI. Pricing and Transfer of Risk

Unless agreed otherwise, the prices are "Delivered Duty Paid" (Incoterms 2010), packing included. Sales tax is not included. The Supplier remains responsible for the safety of the goods until their receipt at our premises or by an authorized person at the place of delivery indicated in the order (risk transfer). In case of general cargo, this shall normally be the location indicated by us on the respective factory premises. In the case of liquids delivered in tankers, the proper transfer of the liquid into the stock tank forms part of the scope of delivery. The risk passes to us after the proper transfer into the stock tank indicated by us.

VII. Payment Terms

Unless agreed otherwise, the invoice will be paid within 21 days withholding a 4 % discount, or within 60 days without deduction, from the date on which the payment becomes due and the invoice and the goods are received or the service is provided. The payment is subject to verification of the invoice.

VIII. Claims on Defects and Recourse

1. The goods are accepted subject to their examination for faultlessness, in particular also for correctness, completeness and fitness for their purpose. We are entitled to examine the object of the contract, as far and as soon as this is expedient to the ordinary course of business; any defects discovered will be notified by us immediately upon their detection. To this extent the Supplier waives the objection of delayed notification of defects.
2. The legal provisions on defects of quality and deficiency in title are applicable, unless otherwise stipulated below.
3. As a matter of basic principle, we have the right to choose the type of subsequent fulfillment. The Supplier has the right to reject the type of subsequent fulfillment selected by us pursuant to § 439 paragraph 2 of the BGB (German Civil Code).
4. If the Supplier does not commence remedy of the defect immediately upon our request, we are entitled in urgent cases, in particular to avert imminent dangers or to avoid major damage, to remedy the defect ourselves or to have it remedied by a third party, at the expense of the Supplier. Claims based on defects of quality are subject to a 2-year limitation period, unless otherwise agreed in writing, or the object has been used according to its customary use for a building structure, causing its defectiveness. The limitation period for claims based on defects of quality runs from the delivery of the object of the contract (transfer of risk) according to VI above.
5. In the case of deficiencies in title, the Supplier shall release us from any claims brought by third parties. Deficiencies in title are subject to a 10-year limitation period.

6. For parts of the delivery which have been restored to good condition or repaired during the limitation period of our claims based on defects, the limitation period starts anew from the date on which the Supplier has completely met our claims on subsequent fulfillment.
7. If, as a result of the faulty delivery of the object of the contract, we incur expenses, in particular transportation, labor, material costs or expenses for an incoming inspection exceeding the customary extent, these expenses shall be borne by the Supplier.
8. If, as a result of the defectiveness of the object of the contract supplied by the Supplier, we take back products manufactured and/or sold by us or if any other claim is raised against us for this, we reserve the right of recourse against the Supplier. For these claims, the period of notice otherwise required is not necessary.
9. We are entitled to claim from the Supplier reimbursement of expenses which we have had to bear through the relationship to our customer arising from the latter's entitlement to compensation of expenses from us, in particular transportation, labor and material costs, required for the subsequent fulfillment.
10. Notwithstanding the provisions of item VIII.4 above, the claim becomes statute-barred in the cases of item VIII.8 and VIII.9 above at the earliest 2 months after the date on which we have satisfied the claims of our customer against us, but not later than 5 years after delivery by the Supplier.
11. If a material defect is detected within 6 months of the transfer of risk, it is assumed that the defect already existed at the passing of risk, unless this assumption is incompatible with the nature of the object or of the defect.

IX. Product Liability and Recall

1. In the case of a claim being brought against us for product liability, the Supplier is obliged to release us from such claims, if and to the extent that the damage has been caused by a defect of the object delivered by the Supplier. In cases of liability based on fault, this applies only if a fault is attributable to the Supplier. If the cause of damage is within the responsibility of the Supplier, he shall bear the burden of proof to that extent. In such cases the Supplier shall bear any costs and expenses, including the costs of possible legal action or of a recall. In addition the legal provisions shall apply.
2. The Supplier undertakes to insure himself sufficiently against the risks indicated above and to furnish proof of this insurance on our request.

X. Execution of Work

Persons carrying out work at our premises in fulfillment of a contract must observe the respective site regulations. Our liability for accidents suffered by such persons on our premises is excluded, unless these accidents are caused by intentional or grossly negligent acts on the part of our legal representatives or persons acting on our behalf.

XI. Provision

Materials, parts, containers and special packaging provided by us remain our property. They may only be used as agreed. The materials are processed and the parts assembled for us. It is agreed that, in the proportion of the provisions value to the value of the total product, we become co-proprietors of the products manufactured using our materials and parts which are kept for us by the Supplier.

XII. Documents and Confidentiality

1. All commercial or technical information material made accessible by us (including features that can be learned from any objects, documents or software submitted, or other knowledge or experiences), as long as and to the extent that they cannot be shown to be public knowledge, must be kept secret from third parties and shall be made available on the Supplier's premises only to those persons who are need to use such information for the purpose of supplying to us, and who shall also be obliged to maintain confidentiality. Such information material remains our exclusive property and may not be reproduced or commercially used – except for deliveries to us – without our prior written consent. Upon our request, all information material originating from us (if applicable, including all copies or records) and loaned objects must be immediately and completely returned to us or destroyed.
We reserve all rights concerning such information (including copyrights and the right to apply for industrial property rights such as patents, utility models, semiconductor protection etc.). Insofar as such information is made available to us by third parties. This reservation of rights also applies to these third parties.
2. Products manufactured on the basis of our documentation such as drawings, models and the like, or using our tools or tools modeled on our tools, may not be utilized by the Supplier himself nor offered or delivered to third parties. This also applies to our print orders.

XIII. Place of Performance

The place of performance is the place where the goods are to be delivered in accordance with the order.

XIV. General provisions

1. Should one provision of these conditions or of additional agreements be or become ineffective, this shall not affect the validity of the remaining conditions. The parties to the agreement agree to replace the ineffective provision with a new one following as closely as possible the economic intent of the previous provision.
2. Place of jurisdiction for all legal disputes arising directly or indirectly from contractual relationships under these purchase conditions is Geldern. In addition, we are entitled to initiate legal action against the Supplier at a court

near the Supplier's headquarters or his branch, or in the court at the place of performance as we choose.

3. 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).
4. The English version of these purchase conditions shall be for convenience purposes only. In case of any inconsistencies, the German version shall prevail.

Unimicron Germany GmbH

As of 01/17