

## Conditions of Purchase

### 1. Contract conclusion and contents of the contract

- a) Our orders are placed exclusively on the basis of the below mentioned terms and conditions. Any contrary, deviating or additional business conditions of the supplier which we have not accepted are not part of the contract. Our terms and conditions apply even if we accept the supplies of goods or services unconditionally with knowledge of the contrary, deviating or additional conditions of the purchaser.
- b) With the first delivery under these Terms and Conditions of Purchase the supplier accepts their exclusive validity also for all other orders.
- c) The supplier must confirm orders immediately, however 2 working days after their written submission or in text form, if not otherwise expressly indicated by us.

Regarding order confirmations deviating from, in addition or contrary to our order, clause 1a) shall apply for the general business conditions of the supplier. Furthermore, the supplier undertakes to point out separately and clearly any deviations, additions or, if applicable, contrary contract requests (e.g. deviation and/or addition of items, quantities, prices and delivery deadlines or terms or places). In this case, the contract must be confirmed separately by us to become effective.

If there is no order confirmation of the supplier available and the supplier executes the order nevertheless, we reserve the right to refuse delivery completely or partially free-of-charge for us and/or to accept it completely or partially. In case of an acceptance or the partial or complete acceptance, our terms and conditions and prices specified in our order will apply.

- d) All agreements made between us and the supplier have to be recorded in writing or in text form.

### 2. Prices

- a) The agreed prices are fixed prices. They are to be understood principally net and free domicile including packaging and plus the statutory VAT, if applicable.
- b) Price increases: Increases in the supplier's prices have to be announced principally within a period of minimum 3 months in advance.

- c) Price reductions: If the supplier reduces his prices after contract conclusion, he undertakes to grant this price reduction also to us.
- d) If the supplier puts at our disposal any price lists, if he specifies a price on precise request, he is responsible for the correctness of this price information. He is liable for any damage caused by a wrong price specification whereby this damage may also be a loss of profit.

### 3. Shipment and transfer of risk

- a) The shipment of the ordered goods is carried out "free domicile" and customs duty paid to the place of delivery or destination which we specified in the order and/or the order confirmation.
- b) The supplier is committed to specify our order number on all shipping documents and delivery notes. A delivery note without any price details has to be enclosed to every delivery in duplicate. The delivery note must include information on the item or the goods and, if applicable, the item number, the date of order, the date and type of shipment, the delivery date and the place of delivery, the number of packages and/or pallets. If the supplier fails to specify this information, we are not responsible for any delays in processing.
- c) The danger of an accidental destruction and/or of an accidental deterioration of the goods is transferred to us with delivery at the place of delivery or the place of destination. Damages in transit have to be communicated to the carrier immediately, directly and in writing.

### 4. Delivery dates, times and scope of supply

- a) The delivery dates and/or times which we specified in the order are fixed.
- b) Partial deliveries are only permitted with written agreement.
- c) In case of late deliveries and/or failures to deliver we are entitled to claim liquidated damages from the supplier for the loss caused to us in a lump sum to the amount of 5% of the net order value per calendar day, however only to the amount of the net order value. In case of a partially late delivery and/or a partial failure to deliver, the liquidated damages will be calculated according to the net order value for the partially late delivery and/or the partial failure to deliver. We reserve the right to assert further claims. The supplier is entitled to demonstrate that the actually occurred damage is significantly lower than the lump sum or that actually no damage occurred. An offset of the payment claims of the supplier is permitted.

- d) The supplier is only entitled to execute a right to refuse performance and/or a right of retention if the counterclaims of the supplier are based on the same contract relation on the one hand and if they are not contested by us or are legally justified on the other hand.

## 5. Delivery; dates; transfer of risk; delay

- a) As far as the goods manufactured by the supplier for INNO TAPE are required for export, a written declaration of origin of the supplied item according to customs law has to be given with the first delivery at the latest.
- b) The origin of the newly accepted delivered item or a change of origin has to be communicated to INNO TAPE immediately and without previous request. The supplier is liable for all disadvantages which incur INNO TAPE due to an improper or delayed submission of the supplier's declaration. As far as necessary, the supplier has to prove his information on the goods' origin by means of an information sheet confirmed by the customs office.
- c) If the supplier does not provide his service or does not provide it within the agreed delivery time or if he is in delay, the right of INNO TAPE - especially the right to withdrawal and liquidated damages - depend on the legal provisions. The provision in clause 4.c) is not affected.

## 6. Payments on our part and discount; prohibition of assignment

- a) Invoices of the supplier are payable after receipt of the completely and proper delivery without defect of title and have to be paid within 60 days. In case of a payment within 14 days after receipt of the complete delivery without latent defects or defects of title and after receipt of the invoice, the supplier grants a discount of 3%.
  - b) The offset against or netting with counterclaims on our part is also deemed to be a payment.
  - c) The arrangement of payment and/or the declaration of an offset or netting within the respectively relevant deadline is sufficient for a payment and/or offset or netting in time.
  - d) The supplier is not entitled to assign his claims against us to any third party, as for example sub-contractors, and/or to entitle third parties to collect the amount receivable from us.
  - e) The payment is executed under reservation of a proper delivery and the correctness of price and calculation. If defects under guarantee are detected, we are entitled to withhold payment until fulfilment of the guarantee obligation.
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## 7. Security by way of reservation of ownership of the supplier and provisions made by us

- a) We herewith expressly contradict a reservation of ownership of the supplier. This shall also apply if we accept the goods of the supplier without reservation with the knowledge of a reservation of ownership.

We do not accept an extended reservation of ownership of the supplier. Thus, it is not permitted that the supplier reserves the ownership of the delivered goods as long as and as far as all claims of the supplier resulting from the business relation are fulfilled.

We do not accept a prolonged security by way of reservation of ownership of the supplier. Thus, the supplier is neither entitled to collect our claims towards our customers nor do we assign our claims towards our customers to the supplier.

- b) As far as we provide parts to the supplier, we reserve the right of ownership with respect to them. Any processing or transformation by the supplier will be carried out for us. If our goods which are subject to retention of title are processed with other items which do not belong to us, we acquire the co-ownership of the new item in proportion of the value of our item (purchase price plus turnover tax) to the other processed items at the moment of processing.

If the item we provide is mixed inseparable with items which do not belong to us, we acquire the co-ownership of the new item in proportion of the value of the item subject to retention of title (purchase price plus turnover tax) to the other mixed items at the moment of mixture. If the mixture takes place in a way that the item of the supplier is considered as main item, it is deemed to be agreed that the supplier transfers proportionally the co-ownership to us; the supplier safe keeps the sole ownership or the co-ownership on our behalf.

As far as the security interests to which we are entitled according to paragraph 1 and/or paragraph 2 exceed the purchase price of all of our goods, which are subject to retention of title and which are still not paid, by more than 10%, we are obliged to release the security interest at our option on request of the supplier.

- c) We reserve the right of ownership on tools. The supplier is committed to use the tools exclusively for the manufacture of the goods we have ordered. The supplier is committed to insure the tools which are our property at reinstatement value at his own expense against fire, water and theft damages. At the same time the supplier assigns all compensation claims from this insurance to us already now; we accept the assignment herewith. The supplier is committed to carry out any necessary maintenance and inspection work as well as all upkeep and repair

work at his own expense in time. He has to communicate immediately any failures; if he fails to do so culpably, the compensation claims are not affected.

## 8. Offset, rights to refuse performance and retention rights of the supplier as well as assignments of claims on part of the supplier

- a) The supplier may only offset or net our claims if we do not contest the counterclaims or if the counterclaims are legally justified.
- b) The supplier is only entitled to assert any right to refuse performance and/or any right of retention if his counterclaims are based on the same contract relation. Furthermore the supplier is only entitled to assert a right to refuse performance or any right of retention if we do not contest the counterclaims or if they are legally justified.
- c) The supplier is not entitled to assign his claims against us to any third party, as for example subcontractors, and/or to entitle third parties to collect the payment from us.
- d) The purchaser is entitled to dispose of the goods supplied by us under reservation of ownership within the ordinary business. However, he may not pledge the goods or assign them as security. He is committed to protect the goods in case of a credited resale.

## 9. Duty to inspect and make a complaint in respect of a defect immediatly on receipt of the goods, guarantee

- a) We are committed to inspect the goods for any possible deviations in quality and quantity within an appropriate time. It is agreed that the inspection for identity and quantity of the goods by means of the delivery note and based on the apparent integrity of the packaging is sufficient. We are committed to check random samples only to the extent to which it is possible to inspect the goods for service life and / or integrity with respect to defects without any danger for ourselves.

A possible complaint is made in time as far as we submit it within a period of 5 working days from the goods receipt or in case of hidden defects from detection. The complaint is deemed to be in time in case of a goods receipt at one of our customers if we submit it within a period of 10 working days from the date of goods receipt at our customer or in case of hidden defects from detection.

- b) We are entitled to legal claims of defect without any reduction. At any rate we are entitled to claim the removal of the defect or the delivery of a new item at our discretion. The right to compensation, especially the right to compensation in lieu of the service, is expressly reserved.
- c) In case of a supplementary performance (rework and/or additional delivery) the supplier bears the costs of the useless installation and dismantling of the goods as well as the costs of a new installation of the goods into a product which we have manufactured. The same applies if the goods are connected and/or mixed with another item in our factory and/or at one of our customers.
- d) We are entitled to remove the defect ourselves to the expense of the supplier in case of danger in delay or in a special urgent case.
- e) The supplier is committed to indemnify and hold us harmless for and against any claims of our customers and/or third parties which are asserted against us due to a deficient delivery of the supplier provided the claims asserted against us are caused by the deficient delivery of the supplier. Included is expressly also the defence or the participation in the defence of claims possibly asserted in legal proceedings.
- f) The period of limitation of claims for defects amounts to 36 months from the transfer of risk.
- g) The legal regulations on the sale of consumer goods are not affected.

## 10. Product liability, indemnification and liability insurance protection

- a) As far as the supplier is responsible for a product damage, he is committed to indemnify us from any compensation claims of third parties on first request insofar as the reason can be found in his domain and organisational area and he is liable vis-à-vis third parties.
- b) In the scope of his liability for damage events in the sense of a), the supplier is also liable to compensate any expenses according to sections 683, 670 BG (German Civil Code) as well as according to sections 830, 840, 426 BGB which result from or in connection with any product recall which we carry out. We will inform the supplier - as far as possible and reasonable - on the contents and the scope of the product recall to be carried out and we will give him the opportunity to provide a statement. Any other legal rights are not affected.
- c) The supplier undertakes to maintain product liability insurance with coverage of € 20 million per personal injury/damage to property - all inclusive. If we are entitled to any further compensation claims, they are not affected.

## 11. Product safety, occupational health and safety and environmental protection

The supplier is committed to comply with all legal regulations on environmental protection and occupational health and safety.

- a) The manufacture of the ordered goods is carried out taking into consideration DIN EN ISO 14001. The purchaser supports the measures and specification necessary for this purpose in the scope of his possibilities. The supplier develops himself and his subcontractors to obtain a certification according to DIN EN ISO 14001.
- b) In case of a delivery of hazardous or toxic substances, a safety data sheet has to be enclosed to the order confirmation and to the delivery and it has to be ensured that the delivery of the substances is only carried out by approved and authorised forwarding agents or carriers.
- c) The supplier undertakes to comply with the provisions on conflict minerals ("conflict minerals" in the sense of the Dodd Frank Act) specified in section 1502 of the "Wall Street Reform and Consumer Protection Act" ("Dodd-Frank Act"). If conflict minerals are necessary for the manufacture or the functioning of the products delivered by the supplier, their origin has to be disclosed. The supplier must make available completely and immediately the documentation on the use and origin of conflict materials as required by the Dodd Frank Act.

## 12. Duty to cooperate of the supplier for quality improvement

We carry out a stringent quality management. In this context the supplier undertakes to cooperate. He will participate especially regarding improvement proposals, ideas and notes. More detailed information is included in the separate quality assurance agreement.

## 13. Obligations to maintain confidentiality

If trade secrets (commercial conditions, processes and facts as for example: turnover, profit situation, business records, customer lists, procurement sources, conditions, market strategies, documents on the credit worthiness, calculation documents) and company secrets (technical conditions, processes and facts, as for example: techniques, processes, recipes, development projects and other details which influence the economic relations decisively) are exchanged in the scope of the business relation, the following regulations shall apply reciprocally:

- a) We and the supplier treat all trade and company secrets strictly confidentially. The trade and company secrets are kept safe and secured so that any taking note and misuse by third parties are excluded. The trade and company secrets may only be used for the purpose of implementing the business relation between us and the supplier. They may only be imparted to such employees, companies, specialists and other third parties who must know them to implement the business relation between us and the supplier. It is especially prohibited to disclose trade and company secrets to competitors.
- b) The employees in the respective companies who have access to the trade and company secrets have to be committed to keep secrecy directly to the favour of the respective contract party on request of the contract party. Third parties outside the company of the contract party to whom the trade and company secrets are made accessible must be named to the other contract party on request and have to be committed to the same secrecy according to these regulations directly to the favour of the respective contract party on further request.
- c) The duty to maintain confidentiality does not apply for documents, samples, information and other items which are publicly known and this is not deemed to be a breach of contract by one of the parties. Furthermore the duty to maintain confidentiality does not apply for documents, samples, information and other items which are made accessible to the respective contract party by a third party which is authorised to disclosure. The one who refers to these exclusions of the duty to maintain confidentiality bears the burden of proof.

## 14. Property rights of third parties

The supplier is responsible that no rights of third parties within the Federal Republic of Germany or the territory of the European Union are violated in connection with his supply. If claims are asserted against us by a third party, the supplier is committed to indemnify us from these claims on first written request. We are not entitled to conclude any agreements - without the approval of the supplier - especially not to conclude any compromise agreement. The supplier's duty to indemnify refers to all expenses which necessarily arise from or in connection with the claims of a third party. The period of limitation amounts to ten years from contract conclusion.

## 15. Data privacy

We comply with the requirement of data privacy. We refer to our separate data privacy statement.

## 16. Minimum wage act

- a) The supplier is committed by law to observe the law on posting of workers (Arbeitnehmer-Entsendegesetz - AentG) and the minimum wage law (Mindestlohngesetz - MiLoG), as amended. He herewith undertakes also contractually to pay his employees the respectively binding mandatory minimum remuneration according to these laws.
- b) We are entitled to demand current proofs on the payment of the respectively valid minimum wage from the supplier. Especially records on the working hours performed and the correspondingly paid remunerations are part of them. If the supplier does not provide any appropriate proofs, we are entitled to withhold due payments.
- c) If the supplier does not provide any appropriate proofs within a period which we specified, we are entitled to terminate the respective delivery contract extraordinarily and without notice.
- d) We are entitled to terminate any delivery relation extraordinarily and without notice if it becomes apparent that the supplier culpably violates his legal and contractual obligation towards us to pay the minimum remunerations.
- e) Furthermore, the supplier undertakes to commit his subcontractors in conformity with the legal and also contractual obligation towards us to pay the legal minimum wage and to implement the payment of the minimum wage also under certain circumstances.

## 17. Final provisions and place of jurisdiction

- a) Place of fulfilment for the entire contract contents is Alfeld (Leine). As far as the supplier is a businessman, a legal entity of the public law or a special property under public law, Alfeld (Leine) is the exclusive place of jurisdiction. We are entitled to sue the supplier also at his domicile.
- b) The law of the Federal Republic of Germany exclusively applies; the validity of the United Nations Convention on Contracts for the International Sale of Goods (CISG) is excluded.
- c) If individual provisions of these Terms and Conditions of Purchase are or become ineffective completely or partially, the effectiveness of the remaining provisions is not affected. The law shall apply in lieu of the ineffective provision.