

Purchasing Terms

of Ernst & Engbring GmbH, Industriestrasse 9, 45739 Oer-Erkenschwick and EEB Kabeltechnik GmbH, Holunderweg 2, 03149 Forst -both referred to in short as "E&E/EEB" below-

1. Validity

1. The following purchasing terms are valid for all legal relationships between E&E/EEB and their suppliers providing that Supplier is a businessman, a corporate body under public law or a special fund under public law. Any different provisions, in particular Supplier's terms of sale, delivery, and payment shall only apply if E&E/EEB have confirmed them in writing.

2. On his very first delivery on the basis of these purchasing terms, Supplier acknowledges and accepts these conditions in their current version as agreed and binding on all other contractual relationships which have as their object the sale or delivery of moveable goods or the provision of a performance.

3. Any individual agreements with Supplier, for example framework agreements, work scheduling agreements or agreements to supply, shall take precedence over these purchasing terms. Unless any special provisions are agreed in the individual agreements themselves, these purchasing terms shall be seen as extensions to these individual agreements. Any additions or verbal side agreements are not valid and effective unless supported by a written contract or a written confirmation from E&E/EEB.

2. Effectiveness of the Agreement / Subcontractors

1. Only written contract finalisations, orders, call-offs and any changes and additions thereto – including by fax or email – shall be valid and effective. Orders and call-offs can also be made via data transmission or by machine-readable data carriers. Only the contents of the order shall be effective. Supplier must confirm the order in writing within a maximum of three days of the date of order. If any shorter delivery dates have been agreed, then the period for confirmation shall be half of the delivery period. On expiry of this deadline E&E/EEB shall be entitled to cancel the delivery/deliveries. Any claims for compensation on the part of Supplier in respect of a cancellation made effective in this way shall be excluded.

2. Even after the finalisation of a contract E&E/EEB shall be entitled to demand an amendment to the delivery item, provided that the changes are just and reasonable for Supplier or if E&E/EEB undertakes to reimburse Supplier for any extra costs incurred in changing the delivery item.

3. Supplier may sub-contract work only with the approval of E&E/EEB. When sub-contracting work, Supplier, in the event of non-compliance, must contractually transfer, on his own liability, any existing obligations towards E&E/EEB to his sub-supplier. Supplier must also oblige his sub-supplier to comply with all legal provisions when executing the sub-contract, in particular the obligation to pay a minimum wage to his employees. At the request of E&E/EEB, the sub-supplier must demonstrate that he has done so. The sub-supplier must also undertake to pass on the obligations to the same extent to his sub-suppliers. If any claims are brought against E&E/EEB on account of a breach of the law on the part of a sub-supplier or sub-suppliers, then Supplier undertakes to indemnify

E&E/EEB in respect of these claims. This applies in particular in the case of a justified claim against E&E/EEB arising from § 13 MiLoG (Minimum Wages Act) in conjunction with § 14 A-EntG (Posting of Workers Directive).

§ 3 Prices, Payment

The agreed prices are fixed prices and include all costs in connection with packaging, transport to the declared point of receipt or point of use, customs formalities and customs and, in cases of doubt, the currently valid rate of turnover tax (VAT). If no prices are stated in the order, then Supplier must quote his prices to E&E/EEB beforehand and obtain their approval.

2. Invoices must be submitted following delivery with all relevant data such as, for example, order number, article number, import tariff and turnover tax identification number and the amount of turnover tax shown separately.

3. Following goods entry and receipt of invoice, E&E/EEB shall pay within 14 days with 3% discount calculated on the gross invoiced amount or net within 45 days.

4. If E&E/EEB accept an early delivery, the goods are still due and payable in accordance with the originally-agreed delivery date.

5. In the case of incomplete or incorrect/faulty deliveries, E&E/EEB is entitled to withhold payment in total or as a percentage of the value involved, until the proper fulfilment of the order. Supplier can only exercise any rights of retention and rights of set-off against E&E/EEB claims if E&E/EEB have recognised his claims or if they have been finally established in law.

§ 4 Delivery dates, Periods and Default / Retention of Title

1. The agreed delivery dates and delivery periods are binding. This also applies if Supplier announces an exact delivery time. Supplier is considered as having complied when the goods are received by E&E/EEB or at the agreed point of use (in doubt, to be determined by E&E/EEB). This then becomes the point of fulfilment.

2. Supplier is obliged to inform E&E/EEB immediately and in writing if any circumstances arise, or of which he becomes aware, which mean that the agreed delivery dates cannot be kept.

3. If Supplier fails to keep a delivery date or period for reasons which are in his sphere of influence, E&E/EEB are entitled to withdraw from the contract and / or to demand compensation without issuing any further notices of default and without granting any further extension of time.

4. If Supplier fails to keep a delivery date or period for reasons which are demonstrably not in his sphere of influence, the contractual parties undertake to adapt the contract in good faith in accordance with the changed circumstances. E&E/EEB are, however, released from any obligation to accept the ordered delivery and are entitled to withdraw from the contract if, as a result of the lapse of time, they can no longer use the delivery or deliveries from an economic point of view.

5. Part deliveries are admissible only with express written agreement.

6. No retention of title is hereby agreed.

7. The items and/or other items necessary to execute the order which have been surrendered by E&E/EEB to Supplier shall remain E&E/EEB's property. Supplier shall execute the treatment and processing on behalf of E&E/EEB in such a way that E&E/EEB is the manufacturer in the sense as understood by § 950 Civil Code (BGB). If, when Supplier processes the order, the item(s) surrendered by E&E/EEB are combined or mixed with other items belonging to a third party, then E&E/EEB shall acquire part ownership of the new item(s) thus produced at a ratio of ownership which corresponds to the value of the components supplied by E&E/EEB to the value of the other combined or mixed components. Supplier undertakes to treat / handle the items owned by E&E/EEB with due care and to insure them against loss and damage. The E&E/EEB property is hereby surrendered solely for executing the order. Supplier is not entitled to resell, pledge/mortgage, rent out or lend the items or dispose of them in any other way to the disadvantage of E&E/EEB.

§ 5 Transfer of Risk / Packaging / Insurance

1. Delivery shall be made free Buyer's address and shall be made at Supplier's risk up to the point of complete delivery to the contractually-agreed point of receipt or point of use. In cases of doubt, this is the gate in the hall where incoming goods are received at E&E/EEB. Even after finalisation of the contract E&E/EEB is entitled to stipulate a different point of receipt or use provided that Supplier is not thereby disadvantaged (extra costs, etc.) or E&E/EEB undertakes to make good this disadvantage in respect of Supplier. If E&E/EEB undertakes delivery, then transport shall be at the risk of Supplier.

2. Supplier must pack the items to be delivered exclusively in environmentally-friendly packaging material(s) in such a way that any damage during transport is prevented and so as to minimise the time and expense needed for E&E/EEB to dispose of the packaging. In addition, the relevant packaging regulations shall apply.

3. Supplier must insure the delivery at his own cost against loss and damage during transport and shall provide E&E/EEB with details of the insurance on request.

§ 6 Reporting Defects

1. a) E&E/EEB shall inspect the products delivered within one week from delivery of the goods. If, without any unreasonable expense and undue time taken, it is only possible to test the function of the products or to see if they are defective when they are being installed or assembled or on start-up and/or handover of the finished product, then the inspection can also be effected at a later time than on these occasions.

1. b) If Supplier and E&E/EEB have entered into a special quality assurance agreement, then the obligation to inspect shall be restricted to transport damage, identity and quantity checks and - where reasonable - to a check for correct functioning. The same applies if Supplier is certified according to ISO 9000 et seq., if he has advertised with this certification and if, within one week of finalising the contract, he does not make clear to E&E/EEB in writing that this interpretation is not to be linked to the certification.

2. E&E/EEB shall notify any defects discovered within 5 working days.

3. Providing that E&E/EEB have fulfilled their obligations in respect of the aforementioned Clauses 1 and 2, Supplier shall waive his right to object on the grounds of a late inspection and or late complaint.

§ 7 Warranty

1. Unless any different rulings are agreed to the contrary below, Supplier shall provide compensation in the event of material defects and defects of a legal nature, including incorrect or short deliveries, improper or inadequate assembly or mounting, defective assembly and incorrect operating instructions, and is liable for any other violations of his obligations in accordance with legal provisions.

2. Within his warranty obligations Supplier is liable for the agreed properties and condition on transfer of risk. E&E/EEB's product descriptions or those of the manufacturer / supplier shall be taken as constituting the agreed properties and condition.

3. E&E/EEB can also press claims in respect of warranty defects which they themselves have negligently failed to recognise at the time of finalising the contract. The same shall apply when they assemble or combine defective goods supplied in this way with other items.

4. Supplier guarantees that all deliveries / performances correspond to the state of the art, all relevant national, European and international legal provisions and the regulations and guidelines of authorities, employer liability insurance associations, professional associations and DIN standards. This applies irrespective of whether these are expressly named or named in full in the contractual documents. Supplier also guarantees that the products supplied and the packaging are environmentally-compatible. If the products supplied do not conform to the agreed specifications and the aforementioned characteristics, then Supplier shall be liable for any damage resulting therefrom and for any consequential damage (secondary loss). E&E/EEB is entitled to demand that Supplier furnish certificates of composition, free of charge, confirming that the delivered products do in fact contain the agreed properties and are of the agreed finish and quality.

5. a) In view of the fact that our customers request a guarantee which extends beyond the statutory warranty periods, the warranty period in the case of goods deliveries shall be two years from the time when E&E/EEB have noted the defect, at the most however, 4 years from the transfer of risk or in the case where Supplier carries out work on a product, from the time of handover.

5. b) If the delivered item is mounted unchanged on, or into, an E&E/EEB product, then the warranty period shall commence at the time when the end consumer has commissioned the products and uses them for the first time. It will end at the latest, however, three years after the product has been delivered to E&E/EEB or, in the case of a worked product, following acceptance (handover) by E&E/EEB.

5. c) If Supplier has been asked to manufacture a building or large structure or a piece of work for E&E/EEB, the success of which consists in providing planning or monitoring or supervisory services, then the guarantee period shall be 5 years following the handover of the work or the planning and supervisory services. The extended guarantee period also applies

in the case of the delivery of items which, according to their customary use, have been used for a building or structure, provided that the statute of limitations begins at the time of delivery of the item.

5. d) If warranty claims are made against E&E/EEB by their customer on account of a defect in the delivered item which is the fault of Supplier, then E&E/EEB is entitled to the unrestricted legal right of recovery in line with §§ 445a et seq. and/or 474 et seq. Civil Code (BGB). This applies irrespective of whether a consumer or a corporation is at the end of the supply chain or not (§§ 445a (3), 445b (3), 478 (3) BGB).

6. If a material defect occurs in a delivery during the warranty period, then Supplier must affect a supplementary performance, either by repair or replacement by a defect-free item, the choice to be made by E&E/EEB. Any claims for compensation or the reimbursement of unnecessary expenses on the part of E&E/EEB shall remain unaffected by this. Supplier shall bear all costs relating to the supplementary performance, replacement delivery or repair in respect of personnel and materials, assembly and dismantling, disposal, transport, increased costs of checks/tests on goods entry which go over and above the usual scope of the tests, recall, prosecution costs, etc. If Supplier replaces the defective item, the warranty obligations shall recommence with reference to the newly-supplied item in accordance with the aforementioned rulings.

7. If E&E/EEB's claim for supplementary performance is not satisfied within reasonably-set periods, then the supplementary performance shall be considered as failed and E&E/EEB shall be entitled to correct the defect themselves or have the work carried out by a third party at the risk and expense of Supplier, without otherwise affecting Supplier's liability in respect of defects.

8. Supplier shall bear the costs and risk in respect of the return of defective items which he has supplied.

§ 8 Product Liability

1. Supplier is obliged to compensate E&E/EEB for such damage which E&E/EEB incur as a result of a defect. If, in accordance with domestic or foreign product liability regulations, claims are made against E&E/EEB because a product is defective due to an error in an item which Supplier has supplied, then Supplier undertakes to indemnify E&E/EEB from all claims which are based on a defect in the components supplied. In addition to providing compensation to a third party, Supplier is also obliged to pay the legal costs of the defence, the costs of recall, assembly and dismantling, disposal, transport and administrative and other expense incurred by E&E/EEB in processing the damage claim.

2. Supplier undertakes to take out and maintain, at his own cost, product liability insurance cover which also covers the risks involved in a recall - if and to what extent coverable - and to demonstrate on request to E&E/EEB that he has done so by presenting a copy of the insurance policy. The product liability insurance cover should provide worldwide cover and, as regards scope and duration, should correspond at least to the current liability limits contained in the German Product Liability Act, whereby, as cover, an amount of ten million Euros per claim is sufficient.

§ 9 Confidentiality / Models / Tooling / Data Protection

1. Supplier is obliged to treat all details of the order contract in confidence. He must maintain secrecy in respect of all commercial and technical details and operating procedures which he learns of as a result of his business relationship with E&E/EEB and must keep these as trade secrets until such a time as they become generally known. Supplier must contract his employees, sub-suppliers and other authorised persons to do the same. The obligation to maintain secrecy in this way shall extend even after the contract has finished and for a period of five years at most from the time when Supplier learned of the secret.

2. E&E/EEB shall retain ownership of all objects such as in particular, tooling, moulds, jigs, models, matrices, templates, samples and other means of production which are made available to Supplier. If the aforementioned items are produced for E&E/EEB, then E&E/EEB shall become the owners as soon as they are created or produced, whereby Supplier merely functions as ownership intermediary. The same shall apply to all recipes, drawings, methods of analysis and to any procedural methods which E&E/EEB informs Supplier of or makes available to him. The aforementioned items, documents and procedures can only be handed over or otherwise made available to a third party with the prior written approval of E&E/EEB. A condition for this approval is that E&E/EEB know what the item is to be used for and the recipient of the information.

3. Supplier undertakes to use the tooling and supplies provided and owned by E&E/EEB exclusively for the production of the goods requested by E&E/EEB and to insure at his own cost the items owned in this way by E&E/EEB against theft, fire, water damage, storm, hail and other insurable damage from natural sources. Supplier must carry out any necessary repairs and servicing to the tooling at his own cost.

4. Supplier knows that, in the course of the supply relationship, E&E/EEB store and process personalised data. E&E/EEB shall do this solely for purposes of executing the supply order and shall comply with all valid data protection regulations.

§ 10 Industrial Property Rights

1. Supplier is liable for any damage arising from the infringement of any trademark rights and/or patent applications or utility models caused by E&E/EEB using the delivered items in the contractually-correct way.

2. If claims are made by a third party against E&E/EEB or their customers, Supplier shall indemnify these parties on request from all claims arising from the use of such trademark rights. This obligation to indemnify shall extend to all costs which E&E/EEB or their customers incur which arise out of, or in connection with, the claim of the third party. These include, in particular, legal costs of a defence and pressing of claims in court and all costs in connection with providing any necessary replacement.

3. Supplier's obligation to indemnify shall not pertain inasmuch as the items supplied have been produced without the knowledge of any third party trademark rights in accordance with recipes, drawings, models or other equivalent descriptions or data provided by E&E/EEB. This does not apply if Supplier has no

knowledge of the trademark rights due to gross negligence. Inasmuch as Supplier is not liable pursuant to Paragraph 3, E&E/EEB shall indemnify him from the claims of a third party.

4. Supplier shall inform E&E/EEB in writing of any published his own unpublished or the licensed proprietary rights of third parties, or patent applications, at the latest before the contract negotiations are concluded. Supplier has no additional claim for remuneration on account of the use of his own trademark rights/patent applications, or those of others, as a result of the use of the supplied goods.

5. The statutory period of limitation for the claims against Supplier named in § 10 shall be 10 years, calculated from the time when the contract was concluded.

6. If, as a result of joint developmental work (for example, during the production of special cables), E&E/EEB and Supplier obtain results which can be successfully used to apply for a patent, the parties, before they submit an application, shall agree on who is to be nominated as applicant and who, from the point of view of technical property rights, as inventor. Supplier shall under no circumstances independently submit his own applications to the exclusion of E&E/EEB. Notwithstanding the aforementioned, E&E/EEB has, as a minimum and in any case, a cost-free right of joint use, unlimited spatially and temporally, even beyond the point when the supply contract has been terminated,

§ 11 Safety Provisions

1. In respect of his deliveries Supplier must comply with recognised technical rules, the safety regulations and the agreed technical data or threshold values corresponding to the state of the art or going beyond them. He must observe, in particular, the following standards: DIN, EN, ISO, VDE, EC-Directives (as an example, the EC Machinery Directive / the statutory environmental requirements such as RoHS, REACH, Conflict Minerals etc.) and any other pertinent regulations.

2. Supplier undertakes to use only such materials which comply with the currently-valid legal safety restrictions and provisions, in particular those which apply to restricted, toxic and hazardous substances. The same thing applies to protective rulings designed to safeguard the environment and regulations relating to electricity and electromagnetic fields. The obligation extends to all the provisions applicable within the EU and also to any provisions applying in other countries if, in accordance with their intended use, the delivered items are to be marketed there.

3. If Supplier's products do not comply with the requirements given under Paragraphs 1-2, then E&E/EEB is entitled to withdraw from the contract. Any other claims for compensation shall remain unaffected by this.

4. Supplier must inform E&E/EEB of any intended changes to the products in writing. These then require the written approval of E&E/EEB.

§ 12. Quality and Documentation

1. Without any separate charge or fee, the scope of delivery includes the product-specific and/or technical documentation, the declaration of conformity and any other documentation and certificates required for the

ordered item and its use (e.g. long-term supplier declaration etc.) and the required markings on the items and/or on their packaging (brand name, manufacturer ID, order ID, article number, serial number etc.).

2. Supplier shall bear the costs of the declarations of conformity. At the request of E&E/EEB the declarations of conformity must be provided immediately in German and in English.

3. Irrespective of the above, Supplier must continually check the quality of the supplied items. He must inform E&E/EEB immediately of any possible improvements to the products. This particularly applies in the case of safety-relevant components. Supplier is obliged to carry out checks on the design to make sure that the product is able to be produced, and to carry out a plausibility check. He must indicate to E&E/EEB immediately if the instructions/specifications contain any recognisable faults and any foreseeable complications.

4. a) If, in respect of the order, E&E/EEB stipulate minimum and/or maximum values of parameters, the given maximum values must not be exceeded in any area of the workpiece or product, the minimum values given must not fall below those given under any circumstances and at any point.

4. b) The above must be secured and documented by means of suitable testing and measuring procedures.

4. c) Without incurring any additional costs E&E/EEB are entitled to demand in writing at any time that the results of these tests be released.

5. If the type and scope of the test and the testing equipment and methods are not firmly agreed between Supplier and E&E/EEB, then E&E/EEB at the request of Supplier are willing, given their knowhow, experience and possibilities, to discuss the tests with Supplier in order to determine the required state of the testing technology in each case.

6. Supplier must test all safety-relevant parts and the results must be documented. By means of separate records he must document when, in what way and by whom the supplied items were tested for these properties. The same thing applies to the test results. The test shall be made on all safety-relevant parts which are marked as such in the product-specific or technical documentation, or as a result of a separate agreement, or whose safety relevance is obvious. The test documents must be kept for 15 years and must be presented on request to E&E/EEB at no extra charge. Within what is legally possible, Supplier must oblige his pre-suppliers by means of a written agreement to do the same.

7. If any authorities responsible for product safety, the marking/labelling of production, emission guidelines or similar, request that they are given insight into the production processes and test documents of E&E/EEB in order to verify certain requirements, then Supplier hereby declares in respect of E&E/EEB that he is willing to grant E&E/EEB the same rights in his premises and to provide him with reasonable support thereby.

§ 13 Auditing

1. E&E/EEB are entitled to carry out an audit of Supplier themselves or to have it carried out by an expert auditor of their choice. The audit shall include an inspection of Supplier's company and of the quality

assurance system, including a subsequent evaluation. The insights gained thereby shall be used as the basis for the award of further orders and for the internal rating of the company by E&E/EEB.

2. a) Giving prior notice, E&E/EEB are entitled to check the current operations of Supplier in order to monitor the measures employed to safeguard the quality.

2. b) If, in the past there have been quality problems, E&E/EEB or a company or organisation commissioned by E&E/EEB (for example a specialist office/TÜV) are entitled to check the quality assurance measures unannounced. This right shall not pertain if the most recent complaint regarding the quality assurance measures of Supplier goes back further than one year or if, in the case of two unannounced checks, no defects have been found.

2. c) E&E/EEB, if they can show that they have a reasonable justified interest therein, are entitled to view the documentation of Supplier. Such a justified interest is present in particular if thereby insights can be gained which will enable the company to estimate the necessity and scope of a product recall.

§ 14 General Provisions

1. If Supplier stops his payments and insolvency proceedings are applied for or opened on his assets or if a court or extrajudicial composition proceedings are applied for, E&E/EEB shall be entitled to withdraw from the non-fulfilled part of the contract.

2. a) The unworkability or ineffectiveness of any single clause shall not affect the effectiveness of these purchasing conditions in general.

2. b) Any ineffective provision shall be replaced by a legal ruling.

2. c) The same shall apply in the event of an omission.

3. a) The law of the Federal Republic of Germany shall apply to the exclusion of the United Nations Convention on Contracts for the International Sale of Goods (CSIG).

3. b) The language in respect of all contracts, legal proceedings and court hearings shall be German.

4. The place of fulfilment and jurisdiction shall be the seat of the E&E/EEB Company, which has placed the order. E&E/EEB at their choice can also bring proceedings however against Supplier at his seat or at the place of performance. If legal regulations governing the dispute between the parties stipulate an exclusive place of jurisdiction, then this shall not be affected by the aforementioned agreement on the place of jurisdiction.

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