



General terms and conditions of purchase of the VDE Group

(For information purpose only. In any case the German version shall prevail)

1. Scope

- 1.1. These terms and conditions of purchase apply for contracts of the VDE Verband der Elektrotechnik Elektronik und Informationstechnik e.V. (VDE Association for Electrical, Electronic and Information Technologies) and its affiliated companies (the “VDE Group”, “we” or the “client”) with business partners and suppliers (“sellers”) for the purchase and/or delivery of movables (“goods” or “product”), irrespective of whether the seller manufactures these itself or purchases them from suppliers. They also apply mutatis mutandis for the procurement of work and services. Acceptance of the products supplied is replaced by approval and acceptance in the case of work and by the performance of the service in the case of services. The terms and conditions of purchase apply only if the seller is an entrepreneur (section 14 of the Bürgerliches Gesetzbuch; “BGB” – German Civil Code), a legal entity under public law or a public law special fund.
- 1.2. Terms and conditions of the sellers that conflict with, are additional to or diverge from these terms and conditions of purchase shall not form part of the contents of the contract unless we have expressly consented in writing to their validity. These terms and conditions of purchase also apply if we unconditionally accept a delivery from the seller while being aware of their conflicting or divergent terms and conditions.
- 1.3. Individual agreements made on a case-by-case basis prevail over these terms and conditions of purchase in any event. Subject to any proof to the contrary, a written contract or our written confirmation shall be decisive for the contents of agreements of this kind.
- 1.4. These terms and conditions of purchase apply without prejudice to any additional rights to which we are entitled in accordance with the

statutory provisions. References to the validity of statutory provisions are for clarification purposes only. The statutory regulations also apply without any clarification if they are not directly amended or expressly excluded in these terms and conditions of purchase.

- 1.5. Unless otherwise agreed, Parts B and C and the supplementary volume of the Vergabe- und Vertragsordnung für Bauleistungen (VOB – German Construction Contract Procedures) in the version valid at the time the contract is entered into apply in addition to these terms and conditions in the case of construction work.
- 1.6. The terms and conditions of purchase are valid as currently amended as a framework agreement also for future contracts for the supply of movables, work and/or services with the same sellers where the VDE Group does not have to refer to them again in each individual case; the currently valid version of the terms and conditions of purchase is available at www.vde.com/aeb-en.

2. Formation of contract

- 2.1. Our order is regarded as binding at the earliest when we issue or confirm it in writing. The seller has to inform us of obvious errors (e.g. typing and arithmetical errors) and omissions in the order, including the order documents, for the purposes of correction or completion before acceptance; otherwise the contract is deemed not to have been formed.

An order issued using an automated system and which does not bear a signature and name is regarded as having been made in writing. The order can furthermore also be placed by e-mail or fax. Any lack of response on our part to offers, requests or other statements from the

seller shall be regarded as consent only if this has been explicitly agreed in writing.

We expect to receive an unconditional written confirmation of order from the seller indicating our purchase order and material number/designation within three working days from the order date, unless we have waived a confirmation of order explicitly in writing. Late acceptance of the offer is considered to be a new offer and requires our acceptance.

- 2.2. Offers and quotations from the seller have to be issued free of charge, unless otherwise agreed in writing.
- 2.3. The purchase order is subject to compliance with Regulation (EC) No 1907/2006 of the European Parliament and of the Council of 18 December 2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH), compliance with the regulations of Directive 2011/65/EU of the European Parliament and of the Council of 8 June 2011 on the restriction of the use of certain hazardous substances in electrical and electronic equipment (RoHS) and the Verordnung zur Beschränkung der Verwendung gefährlicher Stoffe in Elektro- und Elektronikgeräten (ElektroStoffV – German regulation on the restriction of the use of hazardous substances in electrical and electronic equipment) of 19 April 2013 as well as the non-use of conflict minerals pursuant to the Dodd-Frank Act. The seller confirms that the above regulations have been complied with. The seller shall indemnify the client against all liabilities, expenses and damages that have been caused by the seller on account of a breach of the above-mentioned regulations for which the seller is responsible.
- 2.4. The seller has to inform us in writing before the contract is entered into if the goods ordered are subject to an export control or other restrictions on marketability (“export control”) pursuant to the regulations applicable in the Federal Republic of Germany. If the goods ordered are subject to an export control or the seller denies this or fails to disclose the information pursuant to sentence 1, the client is entitled to rescind the contract without granting a grace period. The seller is furthermore required to indemnify the client against third-party claims (e.g. compensation for damages, fines) that are based on the fact that the goods ordered are subject to an export control if no fault is attached to the client itself. This shall not apply if the seller is not responsible for the failure to provide the information or for the incorrect information pursuant to sentence 1. Other claims of the client are not excluded as a result of this.
- 2.5. The following shall apply when a contract for a calibration service is entered into:

The seller states that the service involves an accredited calibration (DIN EN ISO/IEC 17025). The supply has to include a calibration certificate with the following information as a minimum:

VDE inventory number, object, manufacturer, type, serial number, correct value, value displayed, measurement uncertainty, measurement errors, ambient conditions, measurement standards used, confirmation of traceability and indication of measurement uncertainty pursuant to DIN EN ISO/IEC 17025, indication of the calibration process, date, stamp and signature.

Should an accredited calibration pursuant to DIN EN ISO/IEC 17025 not be possible in the individual case, this has to be agreed with the client in advance.

3. Contract performance

- 3.1. The delivery date specified in the purchase order is binding. The execution, scope and scheduling of the delivery must comply with the purchase order, and the delivery must be made on time. The delivery periods start to run on the date of the purchase order. If the delivery date is not indicated in the purchase order and has also not been agreed elsewhere, it shall be two weeks from the time the contract is entered into. The goods must have been received at the delivery address we have indicated by the agreed delivery date. We must be notified of the dispatch of the goods immediately on request.
- 3.2. If it is/becomes apparent to the seller that the agreed delivery date cannot be kept, we must be notified of this immediately (unless otherwise agreed) in writing and the reasons for and the expected duration of the delay must be indicated; this shall not affect the obligation of the seller to deliver according to schedule.
- 3.3. If the seller does not perform its service or does not perform it within the agreed delivery time, or if it is in default, our rights – especially our right of cancellation and our right to compensation of damages – are based on the statutory regulations. The regulations in 3.4 are not affected.
- 3.4. If the seller is in default, we can demand – in addition to other statutory claims – flat-rate compensation of our damage caused by delay in the amount of 0.3% of the net price per complete working day, but in total not more than 5% of the net price of the goods that are delivered late or the service that is performed late. We reserve the right to prove that higher damages have been incurred. The seller reserves the right to prove that no damages at all or only significantly lower damages have been incurred.

- 3.5. Acceptance of the late delivery does not constitute any waiver of claims for damages.
- 3.6. Partial deliveries and excess or short deliveries are not permitted, unless otherwise agreed. We reserve the right to acknowledge them on a case-by-case basis.
- 3.7. The delivery is to be accompanied by a delivery note indicating the purchase order number, an accurate description of the goods, the material or article number, the weight and also the quantity delivered per item. If the delivery note is missing or incomplete, we shall not be responsible for any delays in processing and payment that may result.
- 3.8. If available, data sheets and, in the case of hazardous substances, safety data sheets also have to be delivered.
- 3.9. Suppliers/subcontractors of the seller that are employed in the performance of the contract are regarded as the seller's vicarious agents.

4. Assignment, retention of title

- 4.1. The seller can assign its claims against us to third parties or arrange for them to be collected by a third party only with our prior written consent, unless the claims involved have been established by a final and binding judgement, are ready for a decision or are uncontested. If the assignment of a financial claim is nevertheless valid in accordance with section 354a of the Handelsgesetzbuch (HGB – German Commercial Code) in the event consent has been refused, the assigner has to compensate us for all additional costs that may be incurred in connection with the assignment.
- 4.2. Ownership of the goods has to be transferred to us unconditionally and irrespective of the payment of the price. If we accept an offer for transfer of title from the seller that is conditional on payment of the purchase price in the individual case, the retention of title of the seller expires no later than upon payment of the purchase price for the goods delivered. We remain authorised to resell the goods subject to advance assignment of the resulting claim in the normal course of business also before the purchase price has been paid (alternatively application of simple retention of title extended to the resale). All other forms of retention of title, especially retention of title that has been expanded, transferred and extended to further processing are thus excluded in any event.

5. Transfer of risk, notification of defects

- 5.1. The risk of accidental loss and accidental deterioration is transferred to us following acceptance of the goods at the delivery address

specified in the purchase order. In the case of delivery with accompanying installation or assembly and also in the case of other performance-based services to be provided, this risk is transferred to us upon successful approval and acceptance.

- 5.2. The statutory regulations (section 377 HGB) apply for the commercial duties to inspect and to give notification of defects subject to the following proviso:

Our duty to inspect is limited to defects that are clearly visible during an external examination in the course of our incoming goods inspection, including of the delivery documents (e.g. transport damage, incorrect or short delivery) or that can be identified during random sampling on the course of our quality controls. If it will not be possible to sell the products as a result of the inspection, a random sample of 0.5% of the products delivered will suffice in this respect.

No duty to inspect exists if approval and acceptance is agreed. Furthermore, a key factor is whether an inspection is feasible taking the circumstances of the individual case into consideration based on the normal course of business. Our duty to give notice of defects that are discovered later remains unaffected. Without prejudice to our duty of inspection, our complaints (notification of defects) are regarded as immediate and punctual in any event if they are made to the seller within five working days from delivery in the case of obvious defects, within five working days after they are discovered in the case of concealed defects.

- 5.3. If individual random samples of a product shipment are defective, we can at our discretion demand that the seller sorts and removes the defective items or assert claims for defects on the basis of the entire product shipment. If it necessary to conduct an inspection of the products that goes beyond the usual scope of the incoming goods control as a consequence of defects in the products, the seller has to bear the costs of this inspection.

6. Invoicing, payment

- 6.1. Invoices are to be submitted separately for each purchase order, indicating the order number, order date and seller's number, after complete delivery, completion of services and commissioning or, in the case of performance-based services, after they have been approved and accepted. Invoices that do not include the order number, order date or seller's number are regarded as non-compliant.

Invoices are to be accompanied by time sheets as well as agreed information and documents, confirmation of compliance with regulation 3 of the Deutsche Gesetzliche Unfallversicherung

(DGUV – German Social Accident Insurance association).

- 6.2. The prices agreed are fixed prices. Unless otherwise agreed in the individual case, the price includes all services and ancillary services of the seller (e.g. assembly, installation) as well as all incidental costs within the meaning of section 448 BGB (e.g. proper packaging, transport costs, including any transport or liability insurance and customs duties). The statutory value added tax is included in the price if this has not been expressly designated as a net price. (The value added tax has to be shown separately on all invoices.) The seller has to take back packaging material on our request.
- 6.3. The agreed price falls due for payment within 30 calendar days from complete delivery and service (including any approval and acceptance that may have been agreed and any handover of documents by the seller (e.g. material tests, test reports, quality documents) that may have been agreed) as well as receipt of a correct invoice. The seller shall grant us a 3% discount of the net amount of the invoice if we make payment within 14 calendar days. Payment is made subject to verification of the invoice.
- 6.4. We are entitled to rights of offset and retention as well as the defence of non-performance of the contract in the extent stipulated by law. We are entitled in particular to retain due payments for as long as we are still entitled to claims against the seller arising from incomplete or defective services.
- 6.5. Payments are made only to the seller. Counterclaims of the seller grant it a right of offset only if they have been established by final and binding judgement or are uncontested. The seller can assert a right of retention only if its counterclaim is based on the same contractual relationship.
- 6.6. The payment of an invoice of the seller without asserting defences or the declaration concerning the payment by us are not to be classified as confirmatory acknowledgement of debt based on the claim.
- 6.7. Invoices are to be sent electronically (preferably as a PDF) to the e-mail address indicated in the purchase order.

7. Rights in the event of defects

- 7.1. Unless determined otherwise by these terms and conditions of purchase, the statutory regulations shall apply for our rights in the event of defects in quality and title and in the event of other breaches of duty by the seller.
- 7.2. The seller assumes the liability for ensuring that the goods and services are consistent with the state of the art in science and technology, the

applicable legal provisions and the regulations and directives of authorities, institutions for statutory accident insurance and prevention and professional associations and comply with the current environmental regulations.

- 7.3. If machinery, equipment or facilities are the subject matter of the delivery, these must fulfil the requirements of the special safety provisions for machinery and equipment applicable at the time the contract is performed and have a CE label.
- 7.4. Our approval of drawings, calculations or other technical documents of the seller does not affect its responsibility for defects and the liability for warranties it has assumed.
- 7.5. The receipt of the products as well as the processing, payment for and reordering of products that have not yet been identified and complained about as defectives does not represent any approval of the delivery or constitute any waiver of claims for defects.
- 7.6. We are entitled at our discretion to demand subsequent performance in the form of repair, replacement delivery or new production in accordance with the statutory provisions. The seller has to compensate the damages we have incurred and reimburse all of the costs and expenses of subsequent performance, troubleshooting costs, retrofitting costs, costs of dismantling and assembly as well as transport, infrastructure, labour and material costs. If the subsequent performance has not been carried out within a reasonable period or is unsuccessful or if it was not necessary to set a grace period, we can rescind the contract or reduce the purchase price and demand compensation or the reimbursement of wasted expenditure in accordance with the statutory provisions. The seller bears the costs and risk of the return consignment of defective deliveries. Any warranty claims to which we are entitled and which extend beyond the statutory rights in the event of defects are not affected by this.
- 7.7. If the seller does not fulfil its obligation to provide subsequent performance within the reasonable grace period that we have set and does not have the right to refuse subsequent performance, we are furthermore entitled to perform the necessary measures ourselves or have them performed by a third party at the expense and risk of the seller. If it is no longer possible to inform the seller of the defect and the impending damage and to set it a grace period, however short, for remedying the situation on account of particular urgency (e.g. in order to avoid an interruption to production) and/or the unreasonably high damage otherwise to be expected in relation to the warranty obligation, we are entitled to carry out these measures immediately and without prior consultation.

- 7.8. The general period of limitation for claims for defects is three years from the transfer of risk. Section 438 BGB remains unaffected if it stipulates a longer period of limitation. If approval and acceptance has been agreed, the period of limitation commences upon approval and acceptance. The three-year period of limitation also applies *mutatis mutandis* for claims arising from defects in title. Claims arising from defects in title do not moreover become time-barred in any event as long as the third party can still assert the right – especially in the absence of limitation – against VDE.
- 7.9. The limitation period for our claims for defects is suspended for the period of time in which products are not involved in our operations while the defects are being remedied.
- 7.10. The period of limitation recommences in the event of repair or subsequent delivery. This shall apply in the event of repair, however, only if the same defect or the consequence of defective repairs is or are involved and also if the seller acts not in fulfilment of an obligation it (allegedly) has to provide subsequent performance, but purely as a gesture of goodwill or similar reasons, for example if only a minor defect is present that can be remedied without significant expenditure.

8. Spare parts

The seller is required to keep a supply of spare parts for the products delivered to us for a period of no less than ten years after delivery.

If the supplier intends to cease the production of spare parts for the products delivered to us, it shall notify us of this immediately after the decision to cease production has been made. This decision must be made – subject to subsection 1 – no less than six months before production is stopped.

9. Breach of intellectual property rights

The seller assumes liability for ensuring that no property rights of third parties are breached in connection with its delivery and our use of the products in accordance with the contract. If a claim is asserted against us by a third party on account of a breach of such rights for which the seller is responsible in connection with the delivery and stipulated use of the products, the seller is required to indemnify us against these claims and to reimburse us all necessary expenses in connection with the assertion of these claims and, at our discretion, acquire the necessary licences from the owner of the intellectual property rights or to take back the products that have been delivered.

10. Product liability, insurance

- 10.1. The seller shall indemnify us against all claims of third parties arising from domestic or international product liability that can be attributed to a defect in the product it has delivered if it is responsible in accordance with principles of product liability law for the product defect and the damage that has occurred.
- 10.2. Within the framework of the obligation to indemnify, the seller also has to reimburse us the expenses that result from or in connection with an assertion of third-party rights and/or precautionary measures implemented by us to counter an assertion of claims arising from product liability, especially a warning, replacement or recall campaign. We will inform the seller, if possible and reasonable, of the content and scope of the measures that are to be implemented and give it the opportunity to comment on them. The seller similarly has to bear the costs of prosecution/defence that we incur in this connection.
- 10.3. The seller has to take out insurance against all risks arising from product liability in the amount of no less than EUR 3,000,000.00 per case of liability and furnish proof of this to us on request by submitting a valid insurance certificate.
- 10.4. Unless otherwise agreed, the seller has to mark its products permanently, if this is possible at reasonable expense, in such a way that the seller can be identified as the manufacturer.

11. Assignment of objects and manufacture of tools

- 11.1. We retain title and/or all copyrights and other intellectual property rights in manufacturing equipment of all kinds (including the provision of additional supplies and materials, equipment, tools, templates, samples, models, works standards, drawing, software and other objects) that we hand over to the seller for the manufacture of the products or for other reasons.
- 11.2. Works standards, drawings, software and other documents will be provided in German or English.
- 11.3. We acquire title – if title can be assigned – as well as all rights of use and exploitation in industrial and other property rights in the manufacturing equipment produced for us by the seller that we pay the seller for once they have been completed. The manufacturing equipment has to be labelled as our property. We hand over this manufacturing equipment to the seller free of charge for the products of the goods ordered.
- 11.4. The seller is required to use this manufacturing equipment exclusively for the manufacture of

the products we have ordered or in accordance with other requirements we have stipulated. This manufacturing equipment may not be made available to third parties. The seller has to submit a report to us on enquiries from third parties without delay. The seller is not entitled to produce copies, replicas or other reproductions of the manufacturing equipment.

- 11.5. The seller has to send back the manufacturing equipment immediately without request at its own expense if its assignment is no longer necessary for the manufacture of the goods ordered or negotiations do not lead to the formation of a contract. The seller is not entitled to a right of retention in the manufacturing equipment.
- 11.6. Processing or remodelling by the seller on objects pursuant to subsection 11.1 is permitted only with our written consent and in line with our specifications. The processing or remodelling is carried out on our behalf. If objects of this kind are processed with other objects that do not belong to us, we acquire joint ownership of the new item based on the proportion of the value of our objects to that of the other objects processed at the time of processing.
- 11.7. The seller is required to handle the manufacturing equipment carefully, store it properly and dispose of it only with our written agreement, even if no deliveries have no longer been made for us using this manufacturing equipment over a lengthy period.
- 11.8. It has to insure the manufacturing equipment at its own expense at replacement value against fire and water damage and theft. It assigns to us here and now all claims for compensation based on this insurance. We herewith accept the assignment.
- 11.9. The seller is required to carry out any necessary service and inspection work as well as all maintenance and repair work on the manufacturing equipment assigned to it punctually in consultation with us. It has to inform us without delay of any damage that is discovered.

12. Confidentiality, advertising

- 12.1. The seller is required to keep secret all information made available to it by us that is marked as confidential or that can be identified as trade or business secrets based on other facts for a period of three years after the business relationship has ended and not to record or disclose or exploit them unless this is required for the delivery to us.
- 12.2. The seller shall ensure through suitable contractual agreement with the employees and agents working for it that they are also prohibited for an indefinite period from

exploiting, reproducing or recording without authorisation trade and business secrets of this kind for themselves. The seller can refer to the business relationship with us on images and in prospectuses or advertising materials only with our prior written consent. We shall not unreasonably refuse to give this consent.

- 12.3. If special precautionary measures are required, a separate and detailed non-disclosure statement can be agreed as a supplement to these terms and conditions of purchase. These terms and conditions of purchase are subordinate and supplementary to this non-disclosure or confidentiality agreement.

13. Force majeure

- 13.1. If we are obstructed by force majeure from fulfilling our contractual duties, especially from accepting the products, we shall be exempt from the obligation to perform for the duration of the obstacle and a reasonable start-up period without being required to pay compensation to the seller. The same shall apply if the fulfilment of our obligations is made unreasonably difficult or temporarily impossible for us as a result of unforeseeable circumstances for which we are not responsible, especially as a result of an industrial dispute, government measures, power shortages or major disruptions to operations.
- 13.2. We are entitled to rescind the contract in full or in part if an obstacle of this kind persists for more than four months and there is no longer any interest on our part in the performance of the contract as a consequence of the obstacle. At the request of the seller, we will state after this deadline has expired whether we will make use of our right of rescission or will accept the goods within a reasonable time frame.

14. Liability

We are liable for slight negligence only if material obligations are breached, i.e. obligations where their fulfilment is a prerequisite for enabling the proper performance of the contract and where the contracting partner regularly trusts and may trust that these obligations are complied with. If obligations of this kind are breached, our liability is limited to damages that typically have to be expected to arise within the context of the contract. Liability for slight negligence is excluded in all other respects. The above limitations of liability do not apply for damages arising from the breach of a warranty or from injury to life, limb or health, in the event of wilful intent or gross negligence and also in the event of compulsory statutory liability for product defects.

15. Seller's conduct

- 15.1. The seller undertakes to comply with the laws of the applicable legal system(s), not to tolerate any form of corruption and bribery and to observe the basic rights of the employees as well as the ban on child and forced labour. It shall furthermore assume responsibility for the health and safety of its employees at the workplace, provide a fair wage and working hours, comply with environmental laws and promote and demand compliance with these principles from its suppliers/subcontractors in the best possible way.
- 15.2. The seller undertakes to indemnify the client against any claims and demands that third parties assert against the client in connection with breaches by the seller of the Mindestlohngesetz (MiLoG – German Minimum Wage Act). This shall not apply, however, if the client or its vicarious agents have themselves verifiably contravened the regulation of the Minimum Wage Act through wilful intent or gross negligence in this individual case. The claims and demands of third parties within the meaning above include in particular claims from the company's own employees, claims from employees of subcontractors and temporary employment agencies that have been engaged as well as government claims, including any administrative fines that have been established by final and binding judgement.
- 15.3. The seller is required to give the names of suppliers/subcontractors engaged in the performance of the contract to the client upon request if there is a legitimate interest in this on the part of the client. A legitimate interest is given in particular when claims are asserted against the client by third parties, the basis of which originates in the sphere of the suppliers/subcontractors.

- 15.4. The seller undertakes to send a copy of its document of certification pursuant to DIN EN ISO 9000ff or its certificates from the Deutsche Akkreditierungsstelle (DAkkS – German national accreditation body), if available, for classification in our database of sellers. This serves as proof that the seller's quality management system is consistent with the requirements pursuant to DIN EN ISO 9000ff respectively for which areas the seller is accredited. The classification is updated periodically on the basis of the results of the business relationship with the seller.

16. Final provisions

- 16.1. In the event that the seller suspends payments or insolvency proceedings relating to the assets of the seller are applied for, we are entitled to rescind the contract in full or in part.
- 16.2. The place of performance is the delivery address that we have specified.
- 16.3. The exclusive place of jurisdiction for all disputes arising from the business relationship between us and the seller is Frankfurt if the seller is a merchant within the meaning of the German Commercial Code, a legal entity under public law or a public law special fund. We can also, however, bring an action against the seller at its general place of jurisdiction and also at any other permissible place of jurisdiction.
- 16.4. The law of the Federal Republic of Germany applies for the legal relationships of the seller with us; the United Nations Convention on Contracts for the International Sale of Goods (CISG) shall not apply.