

General terms and conditions of purchase

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§ 1 GENERAL TERMS AND CONDITIONS OF PURCHASE

1) These Terms and Conditions of Purchase shall be valid for all of our orders. Accordingly, they shall be equally valid for any of our future business transactions, even if the General Terms and Conditions of Purchase are not expressly agreed in each individual case. Supplier shall refrain from asserting any conditions of sale and delivery of his own, even if we are neither expressly objecting to his conditions nor accepting the delivery without objections.

2) Our orders shall be legally binding for both parties once awarded or confirmed by us in writing. Our order number, the name of the ordering party, and the order date shall be indicated on the order acceptance form, on all subsequent correspondence, and on all invoices. If acceptance of the order is not confirmed within a period of 3 working days, we shall reserve the right to withdraw the order.

3) ARGES may decide to substitute affiliated companies in its lieu in the contract with the Seller, in which case these General Terms and Conditions of Purchase will retain their validity in full.

4) Supplier shall promptly notify Customer in writing of any alterations in regard to any of the deliveries and services rendered so far. Any alterations to the nature of the material's composition and quality, tolerance or design shall be subject to Customer's prior written consent.

5) Supplier shall undertake to refrain from delivering any goods not subjected to a final inspection ensuring their design in compliance with the required materials, standard and drawing parameters, unless a final inspection was excluded by contract.

6) All drawings, mock-ups, samples and tools surrendered to Supplier for execution of the order shall remain the Customer's property, are subject to secrecy, and shall at not time be duplicated or utilized for purposes other than the purposes intended. All of the drawings, mock-ups, samples and tools surrendered by us shall be returned immediately at our first demand. Ownership of all tools, samples, drawings and other auxiliary means manufactured in conjunction with the execution of our order and subject to separate invoicing by the Supplier shall be transferred to us at the time of manufacturing. Upon our request, these items shall be handed over to us free of charge upon completion of the order/contract and in the event of delivery problems. If the Supplier commissions a sub-contractor with the manufacture of samples, tools, mock-ups or other auxiliary means for execution of our order, Supplier shall cede to Customer all of his claims against the subcontractor for transfer of ownership of the tools, samples, drawings and other auxiliary means.

7) If compliance with the agreed delivery dates is jeopardized, Supplier shall inform Customer immediately and in writing of the circumstances at hand and the further line of action.

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§ 2 OFFERS, CONCLUSION OF CONTRACT

1) All requests for offers shall be processed, and the offers submitted, free of charge. Supplier shall draw up his offers in strict compliance with the data indicated in the inquiry in terms of quantity, quality and design. All of the data regarding design, measurements and weights contained in our printed documents shall be binding unless otherwise agreed. Supplier must explicitly point out any deviation from these standards.

Supplier shall remain committed to his offer for a period of 4 weeks as of the date of the offer.

2) Our award of an order shall constitute the conclusion of a contract. Any deviations contradictory to our order shall not be valid unless agreed in writing.

§ 3 INVOICES AND TERMS OF PAYMENT

1) All invoices are to be sent to the address below, or electronically to "invoice@arges.de", and must include all relevant ordering details:

ARGES GmbH
Werk 4
92442 WACKERSDORF
GERMANY

2) Unless otherwise agreed in writing, payment will be effected within a fortnight upon receipt of invoice, minus 3% cash discount or 30 days net. A cash discount shall also be admissible in case of set-offs or retention due to defaults. Any discrepancies or inconsistencies must immediately be made known to us in writing. Method of payment will be at our discretion.

3) Supplier shall under no circumstances be entitled to assign any of his claims against the Customer, or to have these claims collected by a third party.

§ 4 DELIVERY, ACCEPTANCE

1) Acceptance of goods shall at all times be subject to prior inspection for excellence, quality, and quantity. The inspection of goods at Supplier's works or stock facility shall be construed neither as delivery nor as acceptance.

2) All deliveries must be in compliance with our order and/or delivery allocation in terms of execution, volume and allocation of the order, and must be completed on time. The delivery dates stipulated by the

Customer shall be deemed as the dates of receipt of the goods and are compulsory. If the Supplier has reason to assume that he may not be able to carry out the delivery or parts thereof in time, he shall immediately notify the customer in writing. Any extra costs incurred by the delay and/or any other form of replenishment will be charged to the Supplier. We are neither obliged to accept non-contractual partial or extra deliveries, nor will we recognize such deliveries, even if provided for in the Supplier's confirmation of order.

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3) Supplier shall be responsible for providing compensation, within the scope of the relevant legal provisions, for all damages arising from the delay and/or any other form of replenishment. If agreed deadlines were delayed repeatedly, we shall be entitled to withdraw from the contract and to pass any penalties along to the Supplier. The same shall apply if a motion for composition or bankruptcy proceedings was brought forward, or if composition or bankruptcy proceedings were instituted, or in the case of extra-judicial composition proceedings. In the event of an undue delay in delivery, Customer may demand, at his own discretion, a penalty equalling 0.3% of the contract total, but not exceeding 5% of the contract total, for each started working week.

4) Force majeure is defined as an extraordinary, unforeseeable and unavoidable event (e.g. natural disasters, wars, revolutions, kidnapping, fires), the consequences of which cannot be averted by economically feasible and reasonable precautionary measures. Events of force majeure include strikes, lockouts and governmental interventions, to the extent that such events are unforeseeable and were not caused or contributed to by actions or omissions attributable to the Supplier. If the aforesaid events cause a suspension or restriction of our production, either for ourselves or for our manufacturing subsidiaries, or if they prevent us from picking up the goods ordered by us, we shall be exempted from our obligation to take delivery for the duration and to the extent of the effects incurred by this event, to the extent we are unable to prevent such a disturbance or the prevention of such disturbance is not feasible within reasonable and acceptable means. Supplier's claims for compensation or damages shall be null and void under such circumstances. If we are prevented by said circumstances from picking up the goods, Supplier shall be obliged to keep the goods in proper storage at his own expense and risk until consignment of the goods by us or on our behalf.

5) We reserve the right to determine routing, mode of dispatch, means of transport and type of packaging. Deliveries will be FOB place of destination or place of utilization, respectively; Supplier shall bear the

risk until arrival of the goods at the agreed place of performance. Place of performance shall be the shipping address indicated in the order. In the absence of a shipping address, and if the place of performance cannot be deduced from the nature of the relationship under the law of obligations, the company address shall be relevant.

ARGES GmbH
Werk 4
92442 WACKERSDORF
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6) The deliveries must be made in compliance with the European Union Directive 2011/65/EU ("RoHS") on the restriction of the use of certain hazardous substances in electrical and electronic equipment as well as the amending Annex II to the Directive, the Commission Delegated Directive (EU) 2015/863. Substances, which are permitted due to a temporary exception rule and hazardous substances must be specified and their conformity confirmed to the Ordering Party. Deliveries must also be made in accordance of Art. 33 of Regulation (EC) No 1907/2006 ("REACH"). In addition, the supplier agrees to act according to the principles of the "Dodd-Frank-Act", paragraph 1502. This implies that the supplier is reviewing its entire supply chain for the use of so-called conflict minerals.

7) ARGES GmbH promotes the societal and environmental values of the United Nations Global Compact to its suppliers and uses its influence where possible to encourage their adoption. ARGES GmbH expects its suppliers to adhere to all applicable laws of the relevant jurisdiction. This includes combating corruption, following ethical business practices, and adhering to the principles of the United Nations Global Compact. The Supplier shall also be obligated to act in accordance with the principles under Section 1502 of the "Dodd-Frank-Act". This means that the Supplier will check its entire supply chain for the use of so-called "conflict minerals" and, if necessary, take suitable corrective measures.

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§ 5 LAST ORDER / GUARANTEEING MATERIAL AVAILABILITY

1) Supplier shall be obliged to stockpile spare parts and/or adequate alternative parts for the duration of the customary and habitual technical utilization period of the delivery item, but at least for a minimum of 10 years following the latest shipment of the delivery item in question.

§ 6 PROVISION OF MATERIALS

1) If Buyer has provided Supplier with materials to assist Buyer in generating the works and services ordered, said materials shall remain in Buyer's possession and shall be identified and stored separately.

2) Supplier shall not be authorized to assign usage of said materials to a third party.

3) Supplier shall be held liable for any nature and type of loss, destruction or damage of the materials made available to him, including, in particular, accidents or events of force majeure, with Supplier's liability commencing upon receipt of these materials at his premises and continuing throughout the course of materials processing at his premises until taking-over by the carrier for returning purposes.

§ 7 FREIGHT, INSURANCE, PACKAGING

1) All shipments shall be free of delivery charges, and packaged in suitable and product-specific packaging materials. Throwaway packaging, if applicable, will be taken back by Supplier free of charge. Returnable packaging materials will be provided by the Supplier on loan. Return shipments will be at the Supplier's expense and risk.

2) If Buyer should, by way of exception, agree to assume the packaging costs, invoicing of such packaging costs shall be limited to the prime costs substantiated by documentary evidence. Supplier shall undertake to

2) Buyer shall be granted the opportunity for a last order as soon as Supplier discontinues delivery of the spare parts or the delivery items in question upon expiration of the above specified period of time.

4) Supplier undertakes to obtain whatever insurance policies he requires to properly insure the materials provided to him for the duration of the storage and processing period.

5) Any damages or malfunctions appearing in the materials provided to Supplier must be promptly communicated to the Buyer. Supplier shall under no circumstances perform repairs or other types of alterations to the materials provided to him. Supplier will be held liable for any damages caused by Supplier's non-compliance with this provision.

6) At year end, the Supplier shall take stock of all customer-supplied parts at cost price and report these to the customer voluntarily.

select the most economical method of shipment unless a specific method of shipment was demanded by the Buyer.

3) Extra costs for express deliveries incurred in order to keep the agreed delivery date shall be at Supplier's expense, to the extent he is responsible for the delay.

4) Damages caused by inappropriate packaging shall be at the Supplier's expense.

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5) Unless otherwise agreed, the transport insurance for pending shipments will be covered by ARGES GmbH. Any invoiced insurance costs will not be reimbursed.

§ 8 SECRECY

1) Supplier undertakes to treat as business secrets any and all commercial and technical details, including data, designs, drawings, knowledge of internal company matters and know-how received from the Buyer solely for the purpose of carrying out the respective order; furthermore, he undertakes to maintain secrecy and refrain from disclosing said information and documents to third parties. Any goods, samples, drawings, tools, information etc. provided by us to the Supplier for manufacturing purposes must under no circumstances be assigned to third parties, pledged, or transferred in any other way, or utilized for the benefit of third parties in any other manner without our prior consent.

2) Disclosure of company name, trademarks or any of the Buyer's products for advertising purposes or in connection with the presentation of references shall be subject to the Buyer's prior written declaration of consent.

3) For purposes of secrecy, a non-disclosure-agreement will be concluded between Buyer and Seller.

§ 9 WARRANTY / QUALITY ASSURANCE

1) Supplier warrants and represents that at the time of risk transfer his deliveries and services are and will remain free of materials defects and manufacturing defects for a 12 month period as of the risk transfer date, unless a longer period is provided by law or by the contract.

our production, we shall be entitled to either have the defects remedied at the Supplier's expense or, if this should prove unfeasible, to meet our requirements by purchasing from another Supplier, at the Supplier's expense.

2) Complaints about obvious defects will be raised by us either for a limited period of 12 weeks following receipt of the goods or whenever such defects are discovered during the due and proper course of business, whichever the case may be. In the case of hidden defects we shall not be bound to adhere to fixed time-limits, and complaints about any such hidden defects will be notified as soon as they become known. In the case of hidden defects we shall be entitled to demand reimbursement for the cost of materials used and for wage costs. In urgent cases, and to avoid disproportionate and unreasonable damages, e.g. breakdown of

3) The Statute of Limitation period shall commence at discovery of a defect. Such periods of Statute of Limitations will be suspended by a complaint about a defect. The warranty period shall commence anew upon remedial of a defect or substitute delivery.

4) If a defect is discovered in the delivered item, Buyer shall be authorized to either cancel the purchase, demand a substitute delivery free of charge, or be entitled to demand remedial of the defect. Buyer's right of remedial of defects also provides that Supplier will be held liable

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for the expenses incurred for the purpose of remedying the defect, notably shipping, infrastructure, labour and materials costs. If the desired remedial of defects for the faulty item is not achieved although of a fair and reasonable remedial period was granted, Buyer shall be authorized to either perform a reduction in the purchase price, or cancel the contract or parts thereof, or demand damages on the grounds of non-performance.

5) Supplier will be held liable to Buyer for ensuring that the goods delivered are in compliance with the agreed specifications, that they are not flawed to the extent that their value or fitness for the agreed use is

seriously impaired, and that the goods do not lack any of the warranted qualities. Buyer shall further be liable for ensuring that the items delivered were subjected to a final inspection and are free of design, material, equipment and manufacturing defects. Written quality control documentation will be furnished upon Buyer's demand. Any goods not delivered in compliance with the contract will either remain in the Buyer's custody, or will be returned to the Supplier at the Supplier's risk and expense. Any returned goods will remain our property until receipt of a substitute delivery or until offset of the full equivalent value. If Supplier repeatedly fails to perform in compliance with the contract, we shall be entitled to withdraw from the contract.

§ 10 PLACE OF VENUE, PLACE OF PERFORMANCE, GOVERNING LAW

1) If the Buyer is a merchant possessing full commercial capacity or a legal entity under public law, the sole place of venue for any disputes arising directly or indirectly from the contractual relationship shall be our principal place of business.

2) Place of performance for delivery and payment shall be our principal place of business.

3) All business transactions between the parties hereto shall be governed exclusively by German law (without recourse to the international law on sales). The applicability of foreign law to the contractual relationship is excluded.

4) The invalidity of one or several of the provisions contained in these terms and conditions of purchase and/or the invalidity of a provision under another agreement shall not affect the validity of the remaining provisions or agreements between Buyer and Seller.

§ 11 PARTIAL INVALIDITY

Should individual parts of the contract be or become null and void, invalid or contestable, the validity of the remaining contract shall remain unaffected. The provisions thus entered invalid shall in that case be replaced by legal provisions under German law in a manner which ensure

that the economic purposes intended are achieved to the greatest extent possible. Analogously, the same shall apply to loopholes in need of supplementation, if any.