

General Terms and Conditions of Purchase

1 Scope of application

- 1.1 All orders we place are governed exclusively by these General Terms and Conditions of Purchase ("**GTP**"). Other provisions, including, without limitation, suppliers' terms and conditions, shall not apply, regardless of whether we have expressly excluded them or not. If we accept deliveries without reservations, or perform any contractual obligations or acts, this shall not be deemed acknowledgement of a supplier's terms and conditions.
- 1.2 Any agreements made between us and the supplier for the specific case in question shall prevail. Such agreements and any changes or amendments to agreements between suppliers and us, and to these GTP, must be set out, and their cancellation must be communicated, in writing in order to be valid. This shall also apply to the cancellation of this written form requirement. Notice by email shall suffice in order to comply with the requirement for written form.
- 1.3 These GTP shall apply only in relation to entrepreneurs, legal entities under public law or separate estates created under public law [*öffentlich-rechtliches Sondervermögen*] within the meaning of Sec. 310 Para. 1 of the German Civil Code [*Bürgerliches Gesetzbuch*] ("**BGB**"). These GTP shall also apply to all future transactions with the supplier concerned.

2 Orders, formation of contract

- 2.1 Orders shall only be binding if placed by us in writing. Orders placed verbally or by telephone must be followed by written confirmation from us in order to be valid.
- 2.2 Orders must be formally accepted by the supplier within a maximum of one week by way of a binding order confirmation. After that, we shall no longer be bound by our order.

3 Prices, terms of payment

- 3.1 The agreed prices are fixed prices. They shall apply for "free door-to-door" delivery (DDP INCOTERMS® 2010), including packaging, to the delivery address stated in the order, subject to VAT being added at the applicable statutory rate if stated separately on the invoice. Price increases above and beyond the agreed prices shall be subject to our express written consent.
- 3.2 Invoices shall be prepared with all supporting documentation required and should quote all order details. Any delays caused by non-compliance with these requirements will be the responsibility of the supplier. If this is the case, deadlines for making payment shall not begin to run until verifiable invoices have been submitted. If the actual scope of supplies is expanded or reduced from the original order, this shall be stated separately on the invoice.
- 3.3 Unless other payment terms have been agreed, we reserve the right to deduct a 2% discount on the net amount (before VAT at the applicable statutory rate) from payments made within 14 calendar days. Alternatively, we reserve the right to make payments net,

without any discounts (plus VAT at the applicable statutory rate) within 45 calendar days. Deadlines for payment shall begin to run on receipt of a proper invoice, however, not until the complete delivery has been received. In the event that a delivery is defective, the deadline shall not begin to run until a defect-free delivery has been received.

- 3.4 Payment by us shall not be deemed acknowledgement of terms or prices other than those previously agreed in writing. The point in time when payment is made shall be without prejudice to our rights to raise objections or make claims for warranty.

4 Delivery, delivery periods and dates, contractual penalty

- 4.1 Deliveries shall be made on a "free door-to-door" basis (DDP INCOTERMS® 2010) to the delivery address stated in the order.
- 4.2 In the event that, in certain cases, delivery terms other than "free door-to-door" delivery (DDP INCOTERMS® 2010) are agreed according to which transport insurance and the costs associated therewith are not the responsibility of the supplier, we have arranged our own insurance against damage in transit. The supplier shall therefore notify the freight forwarder that we expressly forbid the supplier's freight forwarder from purchasing additional transport or storage insurance (clause 21 of the German Freight Forwarders' Standard Terms and Conditions [*Allgemeine Deutsche Spediteurbedingungen*] ("**ADSp**") or additional liability insurance (clause 29 ADSp) (collectively "**Transport Insurance Cover**"). If a freight forwarder charges us costs associated with purchasing Transport Insurance Cover, we shall be entitled to deduct such costs from the invoice of the supplier.
- 4.3 All delivery dates and deadlines agreed upon shall be binding. Receipt of the delivery at the delivery address or place of receipt specified in the order shall be controlling in determining whether such dates and deadlines have been met. If formal acceptance has been agreed by contract, successful acceptance shall be controlling.
- 4.4 The supplier shall notify us in writing without undue delay, providing reasons and expected duration of delays, if circumstances occur or become apparent to the supplier which suggests that it will not be possible to meet the agreed delivery dates or deadlines. If expedited transportation becomes necessary in this case in order to meet the agreed delivery dates or deadlines, all extra costs incurring for this shall be borne by the supplier if the supplier is responsible for the delay.
- 4.5 In case of default on delivery by the supplier, we shall be entitled to pursue our statutory claims. In particular, we shall be entitled, after a reasonable grace period has expired fruitlessly, to claim damages in lieu of performance and to rescind the contract.
- 4.6 In case of default on delivery by the supplier, we shall – notwithstanding our other statutory claims – be entitled to claim a contractual penalty from the supplier in an amount equal to 1% of the value of the delivery that is being delayed for each full calendar

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week of the delay, up to a maximum total of 5% of the value of the delivery. The contractual penalty incurred shall be credited against any other claims for damages based on default.

- 4.7 Early delivery or part delivery shall be permitted only if expressly agreed in advance. Otherwise, we shall have the right to return the delivery at the risk and expense of the supplier. Even if we accept such a delivery, the deadline for making payment pursuant to clause 3.3 shall not begin to run before the agreed delivery date.

5 Packaging, marking, quality assurance

- 5.1 The supplier shall use environmentally friendly packaging materials. The supplier's obligation to take back packaging shall be governed by the provisions of the German Packaging Ordinance [Verpackungsverordnung]. We shall make all packaging supplied on delivery available to the supplier for collection EXW (INCOTERMS® 2010).
- 5.2 All order references, other reference numbers and other information we require in connection with the handling of the contract and which are specified in the order shall be quoted on all dispatch notes, delivery notes, packing slips, consignment notes, invoices and all outside packaging etc.
- 5.3 The supplier shall be held liable for all damages and costs caused by culpable non-compliance by the supplier or its vicarious agents or sub-suppliers with these requirements concerning handling and shipping. All deliveries which cannot be accepted due to non-compliance with these shipping requirements shall be placed in storage at the risk and expense of the supplier. We shall be entitled to determine the content and condition of such consignments by inspection on delivery.
- 5.4 Moreover, we reserve the right to reject deliveries which cannot be clearly identified, or bear a date code older than six months, or an expiry date within less than six months, at the risk and expense of the supplier.
- 5.5 The supplier shall keep replacement parts for the goods available throughout the reasonable life of the goods. In the event that PCNs (Process Change Notifications)/EOL (End-of-Life) Notifications for any of the goods are received, the supplier shall be under an obligation to take appropriate action to ensure continued supply and to notify us without undue delay after it obtained knowledge thereof. To this end, the supplier shall inquire with its upstream suppliers on a regular basis whether they have any plans for market withdrawals, provide us with information about potential alternative products and submit the relevant datasheets, samples, etc. to us without solicitation. From receipt of a market withdrawal notice, we shall be given an option for at least six months to place a last order with the supplier on the terms currently in force when the market withdrawal notice is received.
- 5.6 The supplier shall make all documentation which is required for use, installation, assembly, processing, storage, operation, servicing,

inspection, preventive and corrective maintenance of the goods available to us in due time, without solicitation and free of charge.

- 5.7 The supplier shall be solely responsible for the quality of the goods supplied to us. If the supplier coordinates any quality assurance measures with us, this shall not be deemed to release the supplier from its responsibility for the quality of the products. The supplier shall operate a zero-defects policy and shall comply with this objective by undertaking pre-delivery inspections to this effect on the goods prior to shipping.
- 5.8 The supplier shall have a quality management system in accordance with ISO 9001:2008 or a similar quality assurance system in place and shall prove compliance with this requirement to us upon request. The supplier warrants that the manufacturing and/or distribution processes used in manufacturing and/or distributing the goods are state of the art and comply with all applicable statutory provisions. Before changing manufacturing processes and/or materials for the goods, the supplier shall notify us in sufficient advance for us to check whether the change may have any adverse consequences.

6 Inspection, notification of defects

As part of our receiving inspection of incoming deliveries, which is undertaken within reasonable time in the ordinary course of business, we shall check the identity of the goods, compliance of the delivery received with the call-off order concerned and for obvious and visible damage caused in transit, and shall notify the supplier of any visible defects within one week of delivery, and of hidden defects that occurred within five days after their detection. We shall check the quantity and identity of incoming deliveries and their compliance with other quality requirements only on the basis of the delivery documentation and the marking on the external packaging of the goods. We shall be under no obligation to undertake any further technical inspection of incoming goods on receipt.

7 Warranty rights

- 7.1 The supplier shall deliver the goods free from defects and shall meet all additional guarantees given by the supplier.
- 7.2 The supplier shall repair defects of the goods promptly when they become known to it, at the latest upon receipt of a notice of defect. Our claim in the notice of defect that a defect exists shall initially suffice.
- 7.3 After receipt of our notice of defect, the supplier shall, within a maximum of ten working days, provide us with a statement on the cause of the defect, the defect identified and the actions it proposes to repair the same. Unless the defect is a unique defect in workmanship, or the defect is due to a core process, we expect to receive this statement in the form of an 8D report. Notwithstanding any further-reaching warranty rights we are entitled to under statutory law, we shall have the right to claim reimbursement from

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the supplier for all internal costs of processing, inspection and sorting – including the costs of inspection reports prepared or obtained by us as part of our efforts to identify the defect – if it can be proven that we are not responsible for the defect that has been identified.

- 7.4 After a notice of defect has been issued, all stock the supplier and we hold shall be checked at the supplier's cost. If re-inspections or additional inspections become necessary due to defects that have been identified, all costs of material and personnel incurring therefor shall be borne by the supplier; this shall likewise apply to the material certificates for the primary materials purchased from the supplier.
- 7.5 In the event of defects, we shall be entitled to the full scope of warranty rights provided under statutory law. In particular, we shall be entitled to claim remedial action from the supplier, at our discretion either in the form of rectification of the defect or delivery or re-fabrication of new, defect-free goods. All pertaining delivery documentation shall, to the extent necessary, also be rectified by the supplier without undue delay.
- 7.6 All costs incurring in connection with remedial action shall also be borne by the supplier. If a reasonable time limit set for rectification of the defect or re-delivery has expired fruitlessly, we shall be entitled to rescind the contract, make a covering purchase or reduce the agreed price proportionately.
- 7.7 In cases where there is an imminent and real risk of unreasonably high damage, or in other cases of extreme urgency, in particular in cases where there is a risk of us or any of our customers having to stop production, we shall be entitled to rectify defects promptly by ourselves, or have them rectified by others, at the cost of the supplier, without having to set a reasonable time limit, if our attempts to reach the suppliers have remained unsuccessful. However, this does not release us from our obligation to notify the supplier without undue delay of such measures being taken. In any event, we shall also be entitled to claim compensation from the supplier for all costs, damages and proven wasted expenses incurred, and for all expenses necessary for rectification of the defect or for re-delivery. All further rights provided by statutory law shall be expressly reserved.
- 7.8 We reserve the right to undertake random inspections based on AQL class 0.40 according to ISO 2859 or 3951, respectively, and shall be entitled to reject the entire delivery without providing compensation if it is established thereby that the maximum acceptable number of defects according to this ISO standard is exceeded. Likewise, we shall be entitled to reject the entire delivery without providing compensation if it is established that a defect quota of 10 (ten) ppm for catalogue items, or 200 (two hundred) ppm for items made to drawings, is exceeded.
- 7.9 The limitation period for warranty claims is 36 months from delivery of the goods. If remedial action is taken in the form of rectification of

defects or re-delivery, the limitation period shall begin to run anew for the rectified defect.

8 Product liability, indemnification against third-party claims, insurance

- 8.1 The supplier shall be liable in accordance with the statutory law for all personal injury, damage to property and pecuniary losses caused by the supplier, its legal representatives or its vicarious agents [*Erfüllungs- und Verrichtungsgehilfen*] in connection with the performance of its contractual obligations. To the extent that the supplier is liable, in particular, for a defect of a product within the meaning of the German Product Liability Act [*Produkthaftungsgesetz*] or pursuant to Secs. 823 et seq. BGB, it shall indemnify us on first demand against damage compensation claims of third parties to the extent that the cause of the damage is imputable to its own scope of control or organisation and it is itself liable externally.
- 8.2 In this context, the supplier shall, moreover, be under an obligation to reimburse us for any proven necessary expenses we may incur due to, or in connection with, a product recall we issue if such product recall is required under statutory provisions, or due to circumstances which would make any prudent businessman issue a product recall in order to avert risks of loss or damage – including non-proprietary losses. We shall inform the supplier – to the extent possible and reasonably practicable – of the content and scope of the recall campaign to be conducted and give it the opportunity to state its view.
- 8.3 As security for any compensation claims, the supplier shall take out business and product liability insurance with a combined limit of at least 5,000,000 (five million) euros per event of personal injury/damage to property, and maintain such insurance cover until expiry of the limitation period for warranty rights for the last order confirmed by the supplier. This insurance must include extended product liability coverage (damage caused by combining, mixing, processing or further processing a product as well as costs of removal and installation) and provide appropriate risk cover in the US and Canada.
- 8.4 This shall be without prejudice to any further-reaching statutory claims.

9 Compliance with statutory requirements, export control, RoHS, REACH

- 9.1 The supplier shall ensure on its own responsibility that the goods it is to supply or any parts thereof comply with all applicable laws, guidelines, regulations or other provisions of public law and regulations of authorities and employers' liability insurance associations [*Berufsgenossenschaften*].
- 9.2 The supplier shall in particular ensure on its own responsibility that the goods it is to supply or any part thereof are not subject to any national or international export control regulations. If any of the

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goods or parts thereof are subject to such export control regulations, the supplier shall obtain the necessary export licences for worldwide export at its own cost.

9.3 Moreover, the supplier shall ensure on its own responsibility that the goods it is to supply or any part thereof fully comply with the requirements of the RoHS Directive 2002/95/EC ("RoHS") as currently amended, and the national legislation implementing this Directive within the European Union, and are suitable for RoHS-compliant manufacturing processes.

9.4 Moreover, the supplier shall ensure on its own responsibility that the goods comply with the provisions of Regulation (EC) No. 1907/2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals ("REACH") as currently amended. In particular, the substances contained in the goods shall be pre-registered or registered, respectively, as required under REACH. The supplier shall provide us with safety data sheets in accordance with REACH and with the information required under Art. 32 and Art. 33 of REACH without solicitation. The information shall be sent to REACH@first-sensor.com. Suppliers with their seats in non-EU Member states undertake to provide us with the relevant REACH registration number when confirming the order.

9.5 In the event that any of the provisions set out in clauses 9.1 to 9.4 is found to be breached and the supplier is responsible for such breach, the supplier shall expressly indemnify us against all liability and responsibility in the external relationship, on whatever legal ground and shall bear all costs incurring to us in the event of contravention.

10 Industrial property rights

10.1 We reserve all ownership and copyright of all images, drawings, calculations and other documentation we make available, or the supplier otherwise obtains control of, in connection with the order placed with the supplier and delivery by the latter in accordance with the contract (hereinafter "**Documentation**"). All Documentation must therefore not be used, reproduced or made available to third parties for other purposes without our express prior written consent. The supplier may use all documentation only for the purposes of handling orders and/or deliveries and shall return the same, without retaining copies, without undue delay after such orders and deliveries have been fully completed.

10.2 The supplier warrants that no industrial rights of third parties and no other third-party rights are infringed in connection with the goods it delivers.

10.3 In the event that claims are made against us by a third party for infringement of industrial rights, the supplier shall indemnify us against such claims and hold us harmless from and against any and all other claims of third parties. This obligation of the supplier to indemnify shall apply to all necessary expenses we may incur in connection with third-party claims made against us. This shall be without prejudice to any further-reaching warranty claims.

10.4 If applicable, the supplier shall have industrial property rights, copyrights, patents, trademarks, utility models and industrial design rights for the goods. The supplier grants us a non-exclusive, worldwide, royalty-free right of use in these rights for the duration of the useful life of the goods, including the right to delegate such right to our customers and their customers, to the extent that placing the goods in the market, erection and installation and use of the goods is concerned. The supplier undertakes to cause its upstream suppliers to grant corresponding rights to us as well.

11 Reservation of title, free-issue materials

11.1 Reservations of title by the supplier which go beyond simple reservation of title [*einfacher Eigentumsvorbehalt*] do not exist.

11.2 Free-issue materials [*Beistellungen*] (e.g. products provided by us for installation in the goods to be supplied) we surrender to the supplier shall remain fully owned by us. The same shall apply to tools, drawings and other documents surrendered to the supplier in connection with the formation or handling of the contract.

11.3 The supplier shall process or convert free-issue materials for us. If the free-issue materials are processed in this context together with other items not owned by us, we shall acquire co-ownership of a newly created item in the same proportion as the value of our free-issue materials bears to the value of the other items processed or converted as at the time they are processed or converted. If free-issue materials are inextricably mixed or combined with other items not owned by us, we shall acquire co-ownership of the newly created item in the same proportion as the value of our free-issue materials bears to the value of the other items mixed or combined with them as at the time they are mixed or combined. In the event that the items of the supplier become the principal item compared to our free-issue materials as a result of such mixing or combination, the supplier shall transfer to us proportionate co-ownership of the new item and hold it for us.

11.4 The supplier may use tools provided to it as free-issue basis only for fabricating the goods to be produced for us. The supplier shall take out insurance at its own cost for the tools owned by us at replacement value against fire, water and theft. It shall undertake any maintenance and inspection works in due time at its own cost. The supplier shall report any incidents to us promptly. This shall be without prejudice to any claims for damages we may be entitled to.

12 Confidentiality

12.1 If a non-disclosure agreement has been entered into between the supplier and us, it shall apply mutatis mutandis to all information disclosed in connection with a delivery or otherwise. In all other cases, the following provisions shall apply:

12.2 The supplier shall keep all images, drawings, calculations, documents and other documents and information disclosed to it verbally, in writing or in any other form in connection with the delivery which is marked or designated as confidential or which by

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its very nature is confidential ("**Confidential Information**") strictly confidential. This shall not apply to information which (i) is generally known or lawfully disclosed to the public, (ii) was lawfully known to the supplier before it received the same from us, (iii) was independently developed by the supplier without resorting to or using the information received from us, (iv) the supplier lawfully obtained from third parties not bound by confidentiality obligations who themselves obtained such information lawfully without being bound by confidentiality obligations, (v) the supplier is required to disclose under statutory, regulatory or judicial orders; in this case, the supplier shall notify us of the disclosure and shall restrict its scope as far as possible. The supplier may disclose or forward Confidential Information to third parties only with our express prior written consent. Confidential Information may be disclosed to employees and authorised representatives only to the extent necessary for the performance of the contractual obligations incumbent on the supplier.

12.3 The confidentiality obligation shall also apply for an indefinite period beyond full completion of the deliveries. The supplier may not use Confidential Information for purposes of its own other than for the performance of the contract. The supplier shall be permitted to refer to the business relationship between us and the supplier for advertising purposes, in whatever shape or form, including, without limitation, in reference lists, only with our express prior written consent. The supplier shall be liable for all damages we may suffer due to non-compliance with the aforementioned confidentiality obligations.

13 Right of retention, set-off, assignment

13.1 We shall be entitled to statutory rights of set-off and retention subject to the provisions of the relevant statutes. In the event of defective or incomplete deliveries, we shall in particular be entitled to retain payment of an appropriate portion of the value of the delivery, depending on the scope of the defective or incomplete delivery, until the delivery to be made has been delivered to us completely and free from defects.

13.2 The supplier shall only be entitled to a right of set-off or retention with respect to counterclaims that are uncontested or have been established by final and non-appealable decision. Exercise by the supplier of a right of retention shall also be excluded if its counterclaims are not based on the same contractual relationship.

13.3 Assignment of all or any rights or obligations arising from or in connection with a delivery to third parties shall be subject to our prior written consent. We shall be permitted to assign the rights and obligations arising for us from or in connection with a delivery in particular to affiliated companies within the meaning of Sec. 15 et seq. of the German Stock Corporation Act [Aktiengesetz].

14 Place of performance, choice of law, venue

14.1 The delivery address specified in the order shall be the place of performance for the obligations of the supplier.

14.2 All legal relationships between the supplier and us shall be governed by the laws of the Federal Republic of Germany to the exclusion of the UN Sales Convention (CISG).

14.3 Any disputes arising from or in connection with a delivery shall be subject to the exclusive jurisdiction of the court having jurisdiction over our registered office. However, we shall also be entitled to sue the supplier at its general place of jurisdiction.

14.4 Should any of the foregoing provisions be or become invalid, the validity of the remaining provisions shall not be affected thereby.

15 Miscellaneous

15.1 The supplier shall notify us without undue delay of any changes with respect to its company name, relocation of operations, ownership or shareholders.

15.2 In the event of any inconsistency, the German version of our GTP shall prevail and shall be the sole binding basis for determining legal validity and for interpretation of the GTP.