

General Terms and Conditions of Purchase

§ 1 General

- (1) The Terms and Conditions set out below shall form part of the agreement concluded with us.
- (2) Our General Terms and Conditions of Purchase shall apply in accordance with the most recent version (accessible at any time at www.ngk-e.de) and to all subsequent transactions without any need of express reference thereto or agreement thereon at the conclusion of such transaction. They shall only apply towards entrepreneurs as defined in § 310 subsect. 1 of the German Civil Code.
- (3) Our terms apply exclusively. We hereby object to any counter-confirmation, counter-offer or other reference by the Supplier to its general terms and conditions, any dissenting terms and conditions of the Supplier shall only apply if we have confirmed the same in writing. Our General Terms and Conditions of Purchase shall also apply if we accept delivery by the Supplier despite our knowledge of differing or contrary terms.
- (4) If the written form is agreed for documents to be transmitted, the form is also observed by EDI (Electronic Data Interchange) messages. These have the same legal binding effect. The supplier shall use EDI for any written business communication as far as possible.

§ 2 Adherence to Specifications

- (1) The Supplier always agrees to adhere to the agreed product specifications (Specifications) and shall not change any parts of it without our prior written approval. We reserve our right to change the Specifications at any time if this shall be required by applicable laws.
- (2) We further reserve the right to extend the Specification to storage and transport requirements. We shall immediately notify to the Supplier of any such extension.

§ 3 Prices, Payment

- (1) The Supplier must accept and execute our order within 7 working days.
- (2) The prices agreed by the Parties in their framework agreement and the payment deadlines specified therein shall be binding upon the Parties.
- (3) Prices include delivery costs to our facilities, the respective statutory VAT and any and all costs for packaging, except as otherwise expressly agreed upon.
- (4) The purchase price is due and payable within 30 calendar days from receipt of full and defect-free delivery or service and receipt of a proper invoice for payment, except as otherwise expressly agreed upon.

§ 4 Delivery

- (1) All delivery dates stated in the order or otherwise agreed upon are binding.
- (2) The Supplier shall immediately inform us of any threatening or existing delay in delivery, the reasons for such delay and the anticipated duration of such delay. The foregoing shall not affect the occurrence of a default in delivery.
- (3) Premature deliveries and services as well as partial deliveries and partial services by the Supplier are only permitted after prior consultation and written consent by us. Otherwise, we have the right to reject the service or delivery and to return the delivered goods at the expense and risk of the Supplier.

- (4) The risk of loss or damage to the goods passes to us upon delivery at the agreed place of delivery.
- (5) In case of default in delivery we reserve all rights under applicable law.

§ 5 Inspection of Facilities, Certificates

- (1) We shall have the right to inspection without prior notice in relation to
 - a) The premises of the Supplier at which Products are produced,
 - b) All other Supplier's facilities, equipment and documentation relating to manufacture, storage or delivery of Products and all components thereof; and
 - c) Products, prior to or during their shipment to us.
- (2) We may engage the services of an independent firm, selected in our sole discretion to perform any such inspection.
- (3) The Supplier shall make available to us, at least once a year, and otherwise immediately upon request, all certificates and attestations (ISO standards, etc.) relating to him, insofar as these are in connection with the services to be rendered or goods to be delivered to us.

§ 6 Product Liability, Insurance

- (1) The Supplier shall, upon first demand, indemnify us and hold us harmless from and against any and all liability or claims of third parties based on the manufacture, delivery, storage, or use of the delivered goods. The above indemnification shall not apply if the claim is based on our intentional or grossly negligent breach of duties.
- (2) The Supplier shall maintain a comprehensive liability insurance which shall include product liability coverage, in the minimum coverage of EUR 1 million per occurrence for damage, injury and/or death to persons, and unlimited coverage per occurrence for damage and/or injury to property. Such insurance shall cover all affiliates of the Supplier to the extent that these are engaged in any of the services falling under these Terms and Conditions.
- (3) The Supplier shall, on an annual basis, provide us with certificates of insurance evidencing such coverage. Each certificate shall indicate the coverage represented thereby.

§ 7 Representations and Warranties

- (1) The Supplier represents and warrants as follows:
 - The Products shall comply in all respects with all applicable laws, rules and regulations of the country where the Product is manufactured, stored or through which it is shipped, and the countries where the Product shall be used.
 - The Products shall be manufactured to a high quality and in accordance with best industry practice and state of art. The Products are safe, merchantable, and fit for their intended purpose and shall comply fully with the Specifications in every respect.
 - The Products are labelled as required by the Specifications and by law (including, but not limited to, the laws of the country of manufacture and intended country or countries of use).
- (2) We shall be required to check the products within a reasonable deadline for any sub-standard quality or shortfall in quantity.

- (3) In the event of delivery of Goods in excess of the quantity specified in the Order or otherwise in error, we may, at our discretion, either return to the Supplier or dispose of such Goods at the expense of the Supplier.
- (4) We reserve all rights and remedies for non-conformity provided by applicable law. We are especially entitled, upon our election, to claim remedy of defects, re-delivery of conforming goods and damages.
- (5) In case of imminent danger we are entitled, after giving notice to the seller, to remedy the defects at the Supplier's cost.
- (6) Warranty claims shall be time-barred after 36 months of the passage of risk.

§ 8 Warranty of Title, Third-Party Intellectual Property Rights

- (1) The Supplier warrants that the goods are free from rights of third parties and that delivery of the goods does not violate any rights of third parties. The Supplier shall indemnify us, upon first demand, from any claims of third parties in this regard.
- (2) Claims based on defect in title shall be time-barred pursuant to § 7 (6) above.
- (3) The Supplier must ensure that no third-party intellectual property rights in Germany and abroad are infringed in connection with the delivery or service as well as the intended use of ordered goods. If claims are made against us by a third party due to infringements of intellectual property rights, the Supplier must indemnify us against such claims and reimburse us for all expenses that we necessarily incurred from or in connection with the claim by a third party, insofar as the damage caused originates in the Supplier's delivery of goods or services rendered.

§ 9 Compliance

- (1) The Supplier is responsible for ensuring that the services and goods or parts thereof comply with all applicable laws, guidelines, regulations, or other provisions and regulations of authorities and professional associations.
- (2) In particular, the Supplier must ensure that the Goods or parts thereof are not subject to national or international export restrictions. Should a delivery item or parts thereof be subject to such export restrictions, it is the Supplier's responsibility to procure the necessary licenses for import and worldwide export at its own expense and in good time before delivery to us.
- (3) The Supplier must inform us immediately after becoming aware of any non-compliance with statutory regulations that has occurred or is imminent.
- (4) The supplier is obliged to assure and prove compliance with the regulations to us upon request and to cooperate in compliance measures to the extent necessary and reasonable.

§ 10 Confidentiality, Information Security

- (1) The Supplier undertakes to treat all information provided by us within the scope of the individual contract confidentiality and not to disclose it to any third party.
- (2) Confidential Information shall mean any information disclosed or provided by us, including, without limitation, photocopies, as well as drafts, sketches, technical protocols, models, electronic data, regardless of the form

- in which this information is provided (for example, by means of conversations, data carriers of various kinds, by means of data transmission of any kind or by mailing).
- (3) The confidentiality obligation does not apply to information that is generally known and has been lawfully obtained from third parties.
- (4) If the Supplier detects that confidential information has been unlawfully disclosed to third parties, it must inform us of this immediately.
- (5) the Supplier has to comply with the international information security standard IEC/ISO 27001. Upon our written request, the Supplier is obliged to have a TISAX audit (www.tisax.de) carried out within a reasonable period of time, with the TISAX audit target specified by us and to provide us with the result.

§ 11 Final Provisions

- (1) The Supplier may not assign any claims arising from transactions with us without our written approval.
- (2) We are entitled to terminate the order or the agreement with the Supplier with immediate effect in the event of a material breach of these General Terms and Conditions of Purchase by the Supplier. The same shall apply if the Supplier or its affiliates ceases to make payments or if insolvency proceedings are filed and accordingly if the Supplier's economic situation deteriorates in a manner that seriously puts the fulfillment of the order or agreement at risk.
- (3) No waiver by us of any of the provisions hereof shall be effective unless explicitly set forth in writing. No failure to exercise, or delay in exercising, any right arising from our General Terms and Conditions of Purchase shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder precludes any other or further exercise thereof or the exercise of any other right.
- (4) For our benefit, the courts of Frankfurt a. M. shall have jurisdiction over all disputes arising from these Terms and Conditions.
- (5) The laws of Germany shall apply, excluding the Convention on Contracts for the International Sale of Goods (CISG) and any other international purchase laws.
- (6) The invalidity of any provision of these General Terms and Conditions shall not affect the validity of the other provisions. Invalid provisions shall be deemed as replaced by such valid provisions that shall be suitable to implement the economic purpose of the deleted provision to the greatest extent possible.

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