

**General Terms and Conditions for the Procurement of Services****Clause 1 General, Scope of Application**

1. Our General Terms and Conditions of Business (GTC) constitute part of the contract and apply exclusively. We do not recognize terms and conditions set by the Supplier which contradict or deviate from our terms and conditions, unless we have consented to their validity in writing. The acceptance of service does not constitute an acceptance of the supplier's terms and conditions. Our GTC also apply to all future transactions with the Supplier, provided it concerns a mutual commercial transaction. The version valid at the time of concluding of the contract is decisive.

2. Agreements made in writing take precedence over these GTC. Verbal agreements are only binding if they have been confirmed in writing.

3. The Supplier undertakes to comply with all laws and legal norms applicable to our business relationship. The Supplier shall take all necessary measures to avoid corruption and other punishable actions. If the supplier or a vicarious agent engaged by him breaches this obligation in connection with the awarding of an order and/or the provision of the services, the Supplier must pay a contractual penalty in the amount of 5% of the net value of the order, but not less than five thousand euros (5,000.00 €). Further claims by us remain unaffected by this, the contractual penalty is allowed as credit against another claim.

4. Our Code of conduct for suppliers in the version valid at the time of conclusion of the contract shall become an integral part of the contract, unless agreed otherwise. If the Code of conduct for suppliers should not be attached to the respective request for quotation or the order, it can be found at [www.bertrandt.com/en/gtc](http://www.bertrandt.com/en/gtc).

5. Regarding our information obligations according to the EU GDPR we refer to our Data privacy statement which can be found at [www.bertrandt.com/en/privacy-note.html](http://www.bertrandt.com/en/privacy-note.html).

**Clause 2 Offers, Orders, Insurance**

1. Unless expressly stated otherwise within a quotation of the Supplier, a quotation is binding to the Supplier for three (3) months.

2. The Supplier shall request in due time all information which are important for the offer and the provision of the service item. The Supplier may only invoke the absence of such information, if he has requested this information in writing on time and has not received it within a reasonable time limit.

3. The Supplier is obligated to provide the services in such a way that they have the properties described in the contract, offer or other contractual documents, including the appendices. The performance shall be free of defects that would cancel or reduce the value or applicability of the usual or contractually assumed use. Accordingly, the supplier is obliged to expressly notify us of any deviation from objective requirements before placing the order. This deviation must be agreed separately.

4. If the Supplier does not confirm our order in writing within one calendar week, we are entitled to revoke the order. The date we receive the confirmation is decisive for the timeliness of the confirmation.

5. The Supplier must perform services himself or with its own permanently employed employees. Third parties may, therefore, only be used with our prior written consent and only if they are technically suitable, the Supplier is satisfied that the third party has a sufficient creditworthiness before engaging him and the engagement does not violate our legitimate interests.

6. We are entitled to request changes at any time before completion of the service item. The Supplier must state the consequences of this request (in particular with regard to its remuneration and the delivery date) in writing within seven (7) working days. If he fails to do so, he shall be excluded from raising such objections in the following.

7. The Supplier must, during the entire time of the Contract, hold appropriate insurance pertaining to the scope of the order and the risk of damage and provide us with appropriate evidence of the existence of such insurance upon request. The Supplier hereby assigns to us in advance all claims for compensation in connection with the service item against the insurance company. We hereby accept the assignment. We shall return to the Supplier any additional proceeds exceeding our claims after our claims have been satisfied. By concluding the insurance, the Supplier's liability is not limited either in terms of reason or amount.

**Clause 3 Deliveries, Contractual Penalty**

1. The Supplier shall deliver the service item free of carriage to our place of business. The supplier is only entitled to an early performance or partial performance after our prior written consent.

2. The Supplier bears the risk of accidental loss and the risk of deterioration at our place of business. If delivery is made before the agreed date, the service item shall be stored with us until this date at the cost and risk of the Supplier. We are not obliged to accept the delivery before the agreed delivery date.

3. The delivery date stated in the order is binding. The Supplier solely bears the risk of timely self-delivery. The decisive date for compliance with the delivery time is receipt of the service at the delivery address stated in the order. Delivery times run from the order date. If the Supplier must provide material samples, test reports or other contractually agreed documents, the completeness of the service shall also be subject to the receipt of these documents. If a calendar week is specified as the delivery date, the delivery must take place at the latest on the last working day of this calendar week. If delays in performance are to be expected for whatever reason, the Supplier must notify us as soon as this becomes apparent. The notification does not release the Supplier from his obligation to deliver on time.

4. In the event of a delay on the part of the Supplier, we are entitled to demand a lump-sum contractual penalty in the amount of 0.2% of the net order value for each commenced working day of the delay, but total a maximum of 5% of the net order value. The assertion of further rights is unaffected by this, the contractual penalty is, however, allowed as credit against any further damages. The right to demand the contractual penalty is not forfeited by acceptance of the service without reservation.

**Clause 4 Prices, Payment Terms, Assignment Exclusion**

1. The agreed prices are fixed prices. Demonstrations, presentations, negotiations or the preparation of quotations as well as the creation of prototypes or dummies shall in any case be free of charge for us. is not granted.

2. A separate invoice must be drawn up for each delivery. Invoices must bear our order numbers and symbols as well as all mandatory information. Payment shall be made on receipt of the invoice and goods or signing of the final report within twenty (20) days minus a 3% discount or within thirty (30) days net.

3. Should we be in default, the monetary debt shall be remunerated with 5% interest. The creditor reserves the right to prove a higher interest charge.

4. We are permitted at all times to make set-offs, reductions, assert rights to refuse performance or rights of retention against claims by the Supplier.

5. The Supplier may only assign, pledge or otherwise transfer claims arising from the contractual relationship only with our prior written consent. If the Supplier makes an assignment contrary to sentence 1, the assignment is nevertheless valid. We may, however, choose at our discretion to pay either the Supplier or the third party with the effect of discharging the obligation.

6. The supplier is not entitled to pass on the order to subcontractors or third parties, unless we have agreed to this in writing in advance.

7. Unconditional payment does neither constitute an acknowledgment of the service as being in accordance with the contract nor an of the prices on which it is based.

**Clause 5 Warranty, Liability**

1. We will notify the Supplier in writing and without delay of any defects in the service item as soon as they are established in accordance with the circumstances of proper business procedure. If only part-services are defective, we may refuse the entire service if we are no longer interested in the service. If excessive mandatory expenses are necessary to investigate a defective service, the Supplier shall bear the costs of the investigation.

2. The Supplier warrants that the service is free of defects and conforms to the most current state of science and technology, all relevant legal provisions and the regulations and guidelines of authorities, professional and trade associations, and forthcoming amendments to these regulations are not known of by the Supplier. This applies, in particular, to environmental protection provisions applicable in the EU, the Federal Republic of Germany and the Supplier's place of business. If deviations from these regulations are necessary, the Supplier must obtain our prior written consent.

3. In the event of a defect, we are entitled to the statutory warranty rights. If the Supplier does not meet its obligation immediately, if these fail or if special circumstances arise (e.g. own deadline obligations in relation to the customer) which require immediate action, we may rectify the defect at the cost of the Supplier also by self-implemented third party action or (have) the service item produced anew. Valid reasons are, for example, justifiable doubt that the attempt by the Supplier to rectify the defect will succeed or if, e.g., there is a particular urgency due to our own obligations. Further claims are not affected in each case.

4. A rectification of a defect to a significant extent and a new delivery shall cause the limitation of action to start anew.

5. Moreover, the Supplier must reimburse us for all costs incurred in connection with the warranty. This also applies to costs incurred because the service item is used at a place other than the place of performance and this place is known to the Supplier at the time the order is placed.

6. If the performance is defective, we are entitled to withhold from the Supplier's claim for payment an amount which appears necessary for self- or third-party performance as well as an amount that covers our presumed further claims. The final settlement with the Supplier shall be made as soon as the actual costs and the damage incurred are established.

7. If there is a defect-free performance, we are entitled to withhold 5% of the invoice amount for both the partial invoice and the final invoice, but not more than a total of 5% of the total remuneration, as security for our warranty claims. The withheld partial amount will be paid to the Supplier when the warranty period expires, there is no right to interest. The Supplier is entitled to replace the retention by providing a self-debt guarantee from a major German bank or a loan insurer with the usual contents or an equivalent security.

8. Our warranty claims are limited in time to three (3) years from delivery of the service or – provided that acceptance has been given – after acceptance of the service. If the law provides for a longer limitation, this shall apply.

9. If one of our Customers has a claim against us due to a defect in the service based on the application of Sections 478 and 479 of the German Civil Code, Sections 478 and 479 of the German Civil Code shall apply to the relationship between ourselves and the Supplier accordingly.

10. If we withdraw from the contract due to a defect in the service, the Supplier must also compensate us for the costs, even if he is not responsible for the defect. Further claims are not affected by this.

11. The Supplier shall indemnify us against claims based on product liability on first request, if and insofar as he is responsible for the product fault and the damage incurred.

The Supplier is, furthermore, obliged to reimburse us for any expenses incurred as a result of or in connection with any recall action. We will notify the Supplier, insofar as possible and reasonable, of the content and scope of the recall measures to be taken and give him the opportunity to put forward its view.

12. We are liable, regardless of the legal grounds for intentional or grossly negligent action, for culpable injury to life, body and health, for a violation of the Product Liability Act or for a violation with a guaranteed property. In the event of a slightly negligent breach of essential contractual obligations, our liability is however limited to compensation of damage that is foreseeable and typical at the time of conclusion of the contract. Essential contractual obligations are obligations, which protect legal positions of the Supplier that are material to the contract, which the contract, already in accordance with its contents and purpose, shall guarantee to him, as well as obligations without whose fulfillment proper performance of the contract would not be possible at all and on which the Supplier may regularly rely. Otherwise, our liability is excluded irrespective of legal basis. The limited liability also applies to the benefit of our employees as well as their vicarious agents and subcontractors. Reversal of the burden of proof is not evoked by the above rules.

#### Clause 6 Confidentiality, Data Protection

- We reserve the ownership rights, copyrights and other property rights to all drawings, models, samples, other documents and information (hereinafter jointly referred to as "information") which we have provided to the Supplier. The information must be used exclusively for production based on our order. After termination of the contract, the information as well as any copies of any kind must be returned without request. The Supplier may not assert any rights to the information provided and, in particular, do not entitle him to register any rights of any kind.
- The Supplier agrees to treat all information exchanged in connection with performance of the contract as strictly confidential and not to disclose such information to third parties without Bertrandt's prior written consent. The Supplier is responsible for ensuring that its employees and any authorised engaged third parties observe the confidentiality obligation. The confidentiality obligation does not apply to publicly known information, unless the public knowledge is based on a breach of duty. The parties agree to a lump-sum contractual penalty in the amount of fifty thousand euros (50,000.00 €) for each violation of the confidentiality obligation. The amount shall be due at the time of the violation. Further claims are not affected by this; however, the contractual penalty shall be credited against such claims accordingly.
- We assume no liability for the accuracy of the information provided. The information remains our property and can be reclaimed at any time.
- The obligation to keep information confidential continues to apply beyond the end of the contractual relationship.
- The forwarding of our data, including within the Supplier's enterprise, is not permitted without our prior written consent.
- The Supplier warrants that it and any third parties engaged by it comply with all data protection regulations. The supplier shall indemnify us upon first request against any claims based on a violation of the aforementioned obligation.

#### Clause 7 Audits

- The Supplier will enable us at appropriate intervals to convince us of the implementation of appropriate quality assurance measures in his company. For this purpose, the Supplier will grant us and/or employees of our customers and/or regulatory authorities access to its premises by prior appointment and provide us with a professionally qualified employee free of charge to support us during such access. These inspectors are bound to secrecy towards third parties. The control measures may concern products and services as well as the associated manufacturing processes and IT equipment. They are entitled to take samples and copies of documentation for inspection as part of a control measure in the receiving warehouse, in ongoing production as well as the outgoing goods storerooms of the supplier. If two consecutive deliveries by the Supplier do not show a perfect product quality, they may also carry out control measures without prior notice outside normal business hours. The supplier may refuse to allow access to manufacturing processes requiring secrecy and other trade secrets, unless corresponding confidentiality is ensured.
- The aforementioned shall also apply to Sub-suppliers of the Supplier. The Supplier is obliged to grant us the aforementioned rights accordingly in its contracts with its sub-suppliers.

#### Clause 8 Transfer of Rights and Rights of Third Parties

- We reserve an exclusive, unrestricted, non-licensable and irrevocable right of use and exploitation to all ideas, models, samples and all other work results arising in the course of the performance, which is transferrable at our own discretion. In order to fulfil this obligation, the Supplier is obliged, among other things to make unrestricted use of any rights arising from his employees. The transfer of rights to us as well as any employee invention remuneration that has been or will be incurred by the Supplier's employees are already contained in the agreed remuneration. If the work results contain industrial property rights which already existed with the Supplier before the conclusion of the contract, we are granted a transferrable, sub-licensable, non-exclusive, irrevocable licence to these industrial property rights which is compensated by the total remuneration.
- The Supplier warrants that no third party rights are infringed on in the provision of its service. If claims are raised against us by a third party based on a violation of its rights, the Supplier is obliged to indemnify us against these claims and all further necessary

costs (in particular, costs of legal defense) on our first request. We also have the right to obtain permission to use the service items at the cost of the Supplier.

3. The Supplier is only entitled to use our company name and the trademark "Bertrandt" or to refer directly or indirectly to our company in connection with products, acquisitions, advertising or publications or to advertise the business relationship with us with our prior written consent.

#### Clause 9 Set-off and Retention Rights

The Supplier may only set off undisputed or legally established claims against our claims. This does not apply to claims of the supplier which are in a close synallagmatic relationship to our claims. He may set off such claims against our claims without restriction. Furthermore, to assert a right of retention, the Supplier's claims must concern the same contractual relationship.

#### Clause 10 Reservation of ownership

- If the performance owed consists in whole or in part of the delivery of goods, we shall receive these goods without reservation of title.
- We reserve the right to further sale, processing, transformation, combination and mixing of the performance.

#### Clause 11 Termination of the Contract

- We may terminate the service relationship with the Supplier at any time with written notice of two (2) weeks to the end of the month. The right to extraordinary termination is not affected by this.
- If a termination is due to a circumstance for which the Supplier or neither party is responsible, we shall only owe remuneration in accordance with the progress of the service only if the service is economically viable for us, but not more than the amount that we would owe on the basis of the following sentence. In all other cases, the Supplier shall be reimbursed a pro rata remuneration up until the date the termination becomes effective.
- If, after the conclusion of the contract, it is discovered that our claim for performance is put at risk due to the Supplier's lack of ability to perform the service (e.g. economic deterioration, actual obstructions to performance, the cessation of payments to us or third parties, etc.), we are entitled to choose whether to withdraw from the contract or terminate it without notice.

#### Clause 12 Final Provisions

- The place of performance is the registered office of our company. The exclusive place of jurisdiction for claims arising from the business relationship with businesses is exclusively our place of business. The same place of jurisdiction applies if the Customer does not have a general place of jurisdiction domestically, relocates its domicile or usual place of residence abroad after conclusion of the contract or its domicile or usual place of residence is not known at the time the action is brought. However, we are entitled to bring an action against the Customer at its place of business or any other permitted legal venue as well. German law applies to all legal relationships exclusively. The UN Convention on Contracts for the International Sale of Goods of 1980 and all other conflict of law rules do not apply.
- If a point of the contractual relationship with the Supplier is or later becomes invalid in whole or in part for reasons other than Sections 305-310 of the German Civil Code, the validity of the other provisions shall not be affected, provided that, in considering the subsequent regulation, performance of the contract does not cause unreasonable hardship for one party. The parties are aware of the legal precedent of the Federal High Court of Justice whereby a severability clause only reverses the burden of proof. However, it is the express will of the parties to maintain the validity of the other contractual provisions under all circumstances and therefore to waive Section 139 of the German Civil Code in its entirety. The same applies to a gap in the contractual relationship. A suitable provision shall replace the invalid or impracticable provision that comes as close as possible to that which said parties wanted or would have wanted had they considered the point at the time of the conclusion of this agreement or at the time of the later inclusion of a provision.