

General Purchasing Terms and Conditions of Intelligente Sensordysteme Dresden GmbH (as of: 03.2018)

These General Purchasing Terms and Conditions apply exclusively for business transactions with companies, public law entities or special public funds in the sense of section 310 (1) German Civil Code (BGB).

1. General information

(1) Our Purchasing Terms and Conditions apply exclusively; we will only acknowledge General Business Terms and Conditions of the vendor, which conflict or diverge from our Purchasing Terms and Conditions, if we have expressly agreed to their validity in writing. Our Purchasing Terms and Conditions also apply if we, being aware of terms and conditions of the vendor that conflict or diverge from our own, accept deliveries of products and services rendered by the vendor (hereinafter referred to as: Contractual Object) or pay for them.

(2) Our Purchasing Terms and Conditions also apply for all future goods and services, which the vendor delivers to us up until our new Purchasing Terms and Conditions take effect.

2. Compliance

(1) If informed about the respective applicable statutory and regulatory requirements of the country of export, the country of import and the country of destination specified by the customer, the supplier shall ensure that these are fulfilled.

If the supplier is required to carry out specific monitoring measures for certain products that are subject to legal and regulatory requirements, the supplier shall ensure that this monitoring is carried out as required and is continuously maintained, even by its own suppliers.

(2) We expect our suppliers to conduct their business in accordance with applicable national laws, the principles of the UN Global Compact and the i2s Code of Conduct for Suppliers (<http://www.i2s-sensors.de/en/Downloads>).

(3) In the event that a supplier behaves unlawfully repeatedly and/or in spite of being alerted to the fact, and does not prove that the violation has been remedied as far as possible and suitable precautions taken to avoid future violations, we reserve the right to withdraw from existing contracts or terminate them without notice.

3. Conclusion of contract and amendments to the contract

(1) Only written orders bearing a legally valid signature are binding. Orders placed or agreements made verbally (by phone or telegraph) or using other telecommunication means in the sense of section 312 b II BGB are only binding with the written confirmation of the client. If we have not otherwise expressly waived the confirmation of order, every order we place must be confirmed in writing within 5 work days with specification of a binding delivery period. We reserve the right to cancel orders, for which no confirmation from the vendor has been issued within 5 work days. Orders and delivery schedules may also be forwarded by remote data transfer or fax. If the vendor does not cancel the order or the delivery schedule within 5 work days, the order is deemed confirmed by the vendor. Our right of cancellation as per item 2 (1) sentence 3 shall remain unaffected.

(2) Offers and quotations are binding and must be prepared in accordance with enquiries, express reference must be made to any variances. The preparation and submission of offers occurs at no charge

and with no obligation for us; we are unable to pay remuneration for visits, preparation of plans, drawings and similar unless this is expressly agreed in writing.

(3) The *quality assurance agreement* for vendors is part of this contract. If not otherwise agreed, packaging, transport and storage must occur in accordance with applicable legal provisions and while observing the due care of a prudent businessman.

4. Delivery, delivery dates and periods, default in delivery

(1) Divergences from our concluded contracts and orders are only permissible with our prior written permission.

(2) Agreed dates and periods are binding. The receipt of the goods at our location determines compliance with the delivery date or delivery period. If delivery on a “no charge factory direct” (DDP according to Incoterms 2010) basis is not agreed, the vendor must allocate the goods in a timely manner while observing the time for loading and shipping, which is to be coordinated with the carrier, and also select the most affordable shipping method. All costs (including loading), which are incurred up to handover to the carrier, will be borne by the vendor. Deliveries must be handled as instructed by the buyer. The INCOTERMS apply for all standard trade terms. The vendor is in any case obligated to give the buyer the option of picking up the order himself before a carrier or freight company is commissioned at the expense of the buyer.

(3) The vendor defaults after the delivery period expires without the need for a reminder. The acceptance of late deliveries or services does not rule out any other claims for compensation on our part. If the vendor identifies difficulties relating to the manufacture, procurement of primary materials, compliance with the delivery deadline or similar circumstances, which may prevent him from making the delivery on time or in the agreed quality, then the vendor must immediately notify our department, which is placing the order, in this regard. The vendor further undertakes, at its cost, to take all required counteractive measures to avoid defaulting and any potential default consequences.

(4) In the event of default in delivery, i2s has the statutory claims. After a reasonable subsequent period for delivery has been set and has passed without fulfilment, i2s is entitled to choose between demanding delivery/performance, declaring its withdrawal with or without compensation or procuring a replacement from a third party and/or asserting a claim to compensation in lieu of performance. i2s's claim to delivery/performance only expires when withdrawal has been declared in writing or compensation in lieu of performance has been requested. Additional costs, particularly if any covering purchases are necessary, will be carried by the vendor.

(5) We are only obligated to accept partial deliveries if this has been expressly agreed to or they are reasonable for us. Surplus quantities or contractual objects, which are delivered too early, are returned at the cost of the vendor or are placed in storage at i2s at the cost and risk of the vendor.

(6) The values, which we determined in connection with the incoming goods inspection, are decisive for the number of pieces, weights and dimensions subject to another proof.

(7) If proofs of origin or proofs in connection with VAT are requested by i2s, then the vendor must make them available immediately with all required data and properly signed. Furthermore, the vendor must promptly inform i2s if a delivery is subject, in full or in part, to export or import restrictions according to German law or other law.

(8) The vendor may only claim the absence of required documents, which were to be provided by i2s, if he has requested the documents in writing and has not received them within an reasonable period of time.

5. Act of God

An act of god, labour disputes, operational disturbances, for which neither party is responsible, unrest, official intervention and other unavoidable events entitle us – notwithstanding our other rights – to withdraw, in full or in part, from the contract to the extent they are of substantial duration and result in a considerable reduction of our need with respect to the contract. If such circumstances prevent us from receiving and/or accepting the delivery or service, this does not substantiate default in acceptance or debtor default.

6. Notice of shipment and invoice

The specifications in our orders and delivery schedules apply. A basic copy specifying the invoice number and other attributes (particularly our transaction and order number) is to be forwarded to the respective printed address. It may not be enclosed with the shipments.

7. Pricing and transfer of risk

If no special agreement was made, prices are understood as ex-works duty paid (DDP according to the Incoterms 2010) including packaging. This does not contain VAT. Price increases must be acknowledged by us in writing. The vendor carries the risk of accidental loss up to the acceptance of the goods by ourselves or our agents at the location, where the goods are to be delivered to according to the contract.

8. Payment terms and conditions

(1) If no special agreement has been made, the invoice shall be paid either within 30 days with the application of a 2 % discount or within 60 days in the net amount without deduction from the due date for the payment request and receipt both of the invoice and the goods or performance of the service. Payment shall be made subject to verification of the invoice.

(2) If invoices are required from the vendor, then payment shall be made after the contractual provision of goods or services and receipt of the proper, verifiable invoice. In the event of early delivery, payment shall occur in accordance with the agreed delivery date. Payment shall be made after the invoice has been factually and numerically verified. Invoices must be provided with our order and product no., the delivery note number, the vendor number of the contractor and the contractually agreed price. The vendor is responsible for all consequences, which result out of failure to comply with this obligation.

(3) i2s has rights to offset and retention within the statutory scope. In the event of deficient delivery, i2s is entitled to withhold payment of the invoice in proportion to the value until proper fulfilment of the delivery. If and to the extent payments have already been made for deficient deliveries, i2s is entitled to withhold other due payments up to the amount of said payments already made.

(4) The vendor is not, without the prior written consent of i2s – which may only be refused for good case – entitled to assign claims against him or to have them collected by third parties. The consent is deemed granted in the event of extended retention of title. If the vendor assigns its claims vis-à-vis i2s to a third party without i2s's consent, then the assignation shall be nonetheless valid. i2s may make payments, at its discretion, to the vendor or the third party with discharging effect.

9. Quality and documentation

(1) The vendor must comply with accepted technical rules and standards, safety regulations and the agreed technical data. Changes to the delivered item require the prior written consent of the buyer. If not otherwise agreed, initial samples must be submitted to the buyer for inspection prior to production delivery.

Production delivery may only begin after the buyer has accepted the samples. The supplier must continually verify the quality of the delivered goods independent thereof. The contractual partners will inform one another of any possibilities for quality improvement.

(2) The buyer may specify features relevant to quality and function in the *quality assurance agreement*. Their compliance and fulfilment are part of the agreement and fall under the delivery scope. They fall under the obligatory documentation requirement and duty to provide proof of the vendor and must be submitted to the buyer as needed.

(3) Qualitative or quantitative objections, which are identified after the receipt of goods, are not ruled out by confirmation of the receipt of goods. The definition of the acceptance terms and their fulfilment does not affect liability for breach of warranty. i2s undertakes to perform an identity and quantity check of the goods within an appropriate period following receipt of delivery and to check them for any obvious damages from transport. If i2s identifies a defect in this respect, i2s will immediately report it to the vendor. i2s will report defects not identified in the process to the vendor within a reasonable period of time as soon as they are identified under the circumstances prevailing in the due course of business.

10. Defect claims and recourse

(1) The vendor is aware and acknowledges that we do not perform an incoming inspection of goods. Said party waives all rights to obligate us to perform such an inspection and, in particular, said party waives the plea that we did not comply with our duty to inspect and check the goods as prescribed by law. The vendor offers the assurance that its delivery or service corresponds to the specifications, drawings, samples and/or descriptions agreed with us and furthermore, that it is functional, in impeccable condition, free from defects and third-party rights and that the vendor is entitled to dispose of it without restriction. The vendor is obligated to execute the contract such that the Law on Technical Equipment (Gesetz über Technische Arbeitsmittel), relevant accident prevention regulations, other work safety regulations and finally generally accepted rules relating to safety and occupational medicine, which are valid in the Federal Republic of Germany, are adhered to. If this provision is not observed, the delivery or service will be deemed improperly fulfilled.

(2) We are fully entitled to the statutory warranty claims without restriction. A claim to subsequent performance on the part of the vendor is excluded. If we wish to give the vendor the opportunity to provide subsequent performance, we must define an adequate period, during which the vendor has the chance to rectify the breach of duty. The period begins on the day, on which we reprimand the vendor for the breach of duty. If the period ends without success, we are entitled to choose between withdrawing from the contract or reducing the remuneration. The warranty period amounts to two years from the transfer of risk. For all work on or in connection with structures, a warranty period of five years shall apply if not agreed otherwise.

(3) In the event of a culpable breach of duty going beyond the delivery of deficient goods (e.g. with respect to a duty to clarify, consult or inspect), the buyer may demand reimbursement of the resulting consequential damage and the consequential damage, which the buyer has paid to its customer as prescribed by law.

(4) If we take back products we have manufactured and/or sold as the result of a defect in the contractual object delivered by the vendor or if our purchase price was reduced or if any other claims are raised against us, we reserve the right to recourse vis-à-vis the vendor; there is no requirement to set a deadline with respect to our warranty rights.

(5) We are entitled to demand that the vendor reimburses expenses, which we have carried in connection with a customer because the customer had a claim vis-à-vis us to the compensation of the expenses required for the purpose of subsequent performance, including in particular transport, travel, work and material costs.

(6) If a material defect emerges within 6 months of the transfer of risk, we shall presume that the defect already existed at the time the risk was transferred unless this presumption does not account for the nature of the good or defect.

11. Liability and recall

If we are sued on the basis of product liability, the vendor is obligated to release us from such claims insofar and to the extent his deliveries and conduct were deficient and responsible for the damage. In cases of liability based on the breach of duty, this only applies if the vendor is culpable. If the cause of damage falls within the vendor's area of responsibility, said party shall carry the burden of proof. Statutory provisions apply in all other respects.

12. Performance of work

Persons performing work on the plant grounds in connection with the fulfilment of the contract must observe the provisions of the respective company rules. Liability for accidents affecting these persons on the plant is excluded to the extent they are not attributed to an intentional or grossly negligent breach of duty on the part of our legal representatives and servants.

13. Provision

Materials, parts, containers and special packaging, which we supply, remain our property. They may only be used properly. The processing of materials and the assembly of parts are performed on our behalf. The parties agree that we are co-owner of the products manufactured from our materials and parts in proportion to the value of the materials and parts supplied in relation to the overall product, which the vendor keeps for us.

14. Transferred tools, equipment

(1) All types of equipment such as samples, drawings, models, tools, regulations, software etc., which i2s makes available to the vendor, remain the property of i2s. Equipment, which the vendor procures or manufactures and which are paid by i2s or amortised via the part price are the property of i2s upon acquisition or production. The handover of the equipment (transfer of ownership) to us is replaced by the temporary loan of the equipment and the associated safekeeping responsibility. The associated duties of the vendor are provided for in the i2s tool loan agreement. This equipment, as well as goods manufactured on their basis or with them, may not be passed on to third parties and may not be used for purposes other than delivery to i2s without the prior written consent of i2s. They must be kept confidential and immediately returned in impeccable condition at first request without retention of copies, individual parts etc. no later than the completion of the contract or after it becomes certain that no further order will be awarded.

(2) The vendor is obligated to label these objects as the property of i2s and to treat them with the necessary care and to perform, at its cost, the required maintenance and inspection work as well as all maintenance and repair work and to procure all replacements and spare parts in a timely manner. He must immediately report any disturbances; if he fails to do so in a culpable manner, the claims for compensation shall remain unaffected.

(3) The vendor must register these items at their repurchase value in its company liability and fire insurance. At the same time, the vendor shall assign already at this time all claims for compensation resulting from this insurance; we hereby accept this assignment.

15. Safety/environment/harmful substances

The vendor is obligated, with respect to all deliveries and services, to observe all information contained in the order placed by i2s including all corresponding documents such as drawings, technical delivery terms and conditions, construction regulations, material regulations, applicable environmental protection, harmful substance, dangerous good and accident provisions regulations, performance specifications relating to technical, physical, chemical, mechanical or other characteristics as well as DIN, VDE or other industry-wide standards in the respective valid form. If the contractual object concerns a substance or a preparation with dangerous properties in the sense of the Ordinance on Harmful Substances (Gefahrstoffverordnung) or if such properties emerge when the substance or preparation is handled, then i2s must be informed in written form with respect to the safety regulations to be observed. The type of application and local prerequisites must be individually considered in this respect. Furthermore, the vendor undertakes to comply with all guidelines of the EU End-of-Life-Vehicles Ordinance and to enter and maintain the required data in the IMDS (international material data system). The vendor undertakes, at the request of i2s, to independently provide information with respect to management systems. We reserve the right to audit the management systems.

16. Documents and confidentiality

(1) All business or technical information (including features indicated by items, documents or software, which has been handed over, as well as other findings or experiences), which we have made available, are – as long and to the extent they are not demonstrably known to the public – to be kept confidential vis-à-vis third parties and may only be made available to persons in the vendor's establishment, who must use such information for the purpose of making a delivery to us and who have been obligated to maintain confidentiality; said information remains our property. Such information may not be duplicated or used for commercial purposes without our consent, except for deliveries made to us. At our request, all information originating from us (including, if applicable, all copies or records created) and items loaned must be immediately and completely returned to us or destroyed. We reserve all rights to such information (including copyrights and the right to register trademarks including patents, registered designs, semiconductor contactor etc.). To the extent they are made available to us by third parties, this reservation of rights shall also apply for the benefit of third parties.

(2) The vendor may neither use nor offer or deliver to third parties products, which are manufactured according to documents we designed (such as drawings, models and similar) or which were manufactured according to our confidential specifications or with our tools or replicated tools. This applies accordingly for our print orders.

17. Suspension of payments/insolvency

If the vendor stops making payments, a preliminary receiver will be appointed, insolvency proceedings upon the assets of the vendor are initiated or if the vendor's bills of exchange or checks are protested, i2s is entitled to terminate the contract in full or in part without this resulting in claims vis-à-vis i2s. If i2s terminates the contract, the services performed up to that point will only be billed at contractual prices to the extent i2s is able to use them properly. The loss incurred for i2s will be accounted for in the settlement of the account.

18. Place of performance and legal venue

The place of performance is the location where the goods are to be delivered according to the contract. Dresden is the legal venue.

19. General provisions

(1) If a provision of these terms and conditions and applicable other agreements are or become invalid, then this shall not affect the validity of the remaining provisions. The contractual partners undertake to replace the invalid provision with a valid one that comes as close as possible to producing the same economic result.

(2) Exclusively German law shall apply without giving effect to the principles of conflict of laws and to the exclusion of the United Nations Convention on Contracts for the International Sale of Goods (CISG).

Dresden

Intelligente Sensordysteme Dresden GmbH