

URACA purchasing conditions

Valid as of 05/2016

1. Scope

- 1.1. The following conditions apply for all contracts between URACA GmbH & Co. KG and the supplier concerning the supply of goods and the use of external labour.
- 1.2. Our conditions are exclusive; we do not accept any conditions of the supplier which contradict or deviate from our conditions unless we have given our express written consent to their validity. Our conditions also apply if we accept the supply of goods or services from the supplier without reservations in the knowledge of the supplier's contradicting or deviating conditions.
- 1.3. All agreements made between us and the supplier in connection with the placing of the order are recorded in writing in our order and in these conditions. Any supplementary oral agreements at conclusion of the contract are only valid if they have been confirmed by us in writing.
- 1.4. Our purchasing conditions only apply to businesses in the sense of par. 310 sec. 1 BGB (German Civil Code).

2. Order

- 2.1. The prices stated in our order are fixed prices and remain unchanged until fulfilment; they include packaging and shipping costs as well as taxes and duties without VAT. The supplier is bound to their price offers. As a rule, we must receive an order acknowledgement for each order within one week.
- 2.2. Deviations from our order and the submitted documents or changes to structure, quality or performance of the goods or services to be delivered compared to the previously delivered or agreed version will require our prior written consent.
- 2.3. If we are supplied with samples, series production or delivery can only start after express written approval.
- 2.4. Placement of the order or a substantial part of the order with a third party (subcontractor) requires our prior written consent. The supplier is responsible for the third parties appointed by them, even if we have consented to subcontracting.

3. Terms of delivery/delivery dates

- 3.1. Agreed delivery dates and deadlines are binding.
- 3.2. The receipt of the goods at the receiving point or point of use defined by us or the timeliness of the successful acceptance is decisive for compliance with the delivery date or deadline.
- 3.3. Goods can be received at the following times: Monday to Friday, 07:00 – 12:00 / 13:00 – 15:00.
- 3.4. If the supplier realises that the agreed dates cannot be met, they must notify us immediately in writing, stating the reasons and the expected duration of the delay. The supplier can only invoke causes for a delay which are not the supplier's responsibility if the supplier has fulfilled their notification duty.
- 3.5. If the supplier does not meet the agreed dates or deadlines, the statutory provisions apply for the legal consequence, particularly the liability for damages in case of default.
- 3.6. In case of default we are entitled to demand a contractual penalty from the supplier. The contractual penalty is 1 % per week of delay or part thereof, but a maximum of 5 % of the total value of the order. Agreement on the contractual penalty or its assertion does not affect our legal claims due to default. Any contractual penalties paid will be offset against the claims for damages. The contractual penalty can be asserted until payment for the goods that were delivered late.
- 3.7. If the agreed date is not met, the supplier will fall into arrears without notice and will be obligated to pay the agreed contractual penalty from the start of the delay. We are not obligated to reserve the right to demand the contractual penalty at receipt but can still offset it against the total of the final invoice.
- 3.8. We retain the claim to a contractual penalty even if we – after the claim has arisen – back out of the contract or commission a third party to deliver the goods or services that are due. Any other claims and rights due to failure to meet a deadline remain unaffected.
- 3.9. We can furthermore and notwithstanding our other rights have the outstanding delivery supplied by a third party at the supplier's expense and risk after expiry of a reasonable grace period or in case of a transaction subject to fixed dates in the sense of par. 376 HGB (German Commercial Code) after a time period individually defined in the contract. If documents are required for this which are in the supplier's possession these must be handed to us immediately.
- 3.10. We have the right to back out of the contract in part or as whole already before the due date of the delivery or service if it becomes obvious that the supplier will not complete the delivery or service in due time, even if the buyer were to set a reasonable grace period. We also have the right to demand compensation from the supplier instead of the delivery or service if it becomes obvious that they will not complete the delivery or service in due time within a reasonable grace period.
- 3.11. If the supplier does not fulfil the delivery obligation in due form and if they let the grace period pass unsuccessfully, we have the right to carry out a covering purchase at the supplier's expense. Setting of a grace period is only not required in the cases regulated by law.
- 3.12. Early delivery or service and partial delivery or partial services require our written consent.

3.13. We only accept materials and products which comply with REACH and RoHS. We expect you to comply with your duty to inform with regard to substances of very high concern according to art. 33 of the REACH regulation.

4. Delivery/shipping

- 4.1. All shipping documents, delivery notes and the outer packaging must contain our complete order number, article number, information about the receiving point and the recipient of the goods. Partial and remaining deliveries have to be specially marked.
- 4.2. We are entitled to refuse acceptance of shipments if the shipment does not include the correct shipping documents. The supplier must bear the costs resulting from nonacceptance of the delivery.
- 4.3. The supplier must provide suitable and appropriate packaging which protects the goods against damage and corrosion during shipping as well as subsequent short-term storage of up to 4 weeks. The supplier's obligation to take back packaging materials is governed by the German Packaging Ordinance (VerpackV).
- 4.4. Shipping must be "carriage free" including packaging to the respective receiving point (DDP according to INCOTERMS 2010). If – deviating from this – delivery "ex works" (EXW according to INCOTERMS 2010) is agreed, the supplier must observe the shipping instructions defined in the order. If we have not stipulated a haulier or method of transport, shipping must be carried out with safe transport packaging at the most favourable conditions.
- 4.5. The supplier is responsible for any surcharges due to failure to comply with a shipping instruction or due to express or overnight shipping to meet the agreed deadline.
- 4.6. The defined shipping addresses must be observed. Delivery to any other location than the receiving point indicated by us will not constitute transfer of risk even if the delivery is accepted at that point. The supplier is responsible for additional costs arising for us as a result of the delivery to a receiving point other than the one agreed.
- 4.7. In case of early delivery of more than 5 working days, we reserve the right to refuse acceptance of the goods, to return the goods to the supplier at the supplier's cost and risk or to store the goods until the agreed delivery date. The invoice will be suspended until the agreed delivery date.
- 4.8. The supplier guarantees that for each order, spare and wear parts will be available for a period of at least 15 years after end of the warranty period and that these will be supplied to us at the agreed or customary market conditions.

5. Payment

- 5.1. Payment is made either within two weeks after receipt of invoice with deduction of 3 % cash discount or within 30 days net, as decided by us. VAT, turnover tax and other taxes as well as packaging and shipping costs have to be shown separately on the invoice. If delivery is made after receipt of the invoice, the date of delivery is decisive with regard to the aforementioned method of payment.
- 5.2. If delivery is prevented by force majeure, strike, lock-out or similar situations, the acceptance and payment period is extended by the period of the delay.
- 5.3. As a rule, all payments are made subject to correctness of delivery and invoice.
- 5.4. The supplier may only assign claims from the business relation to third parties with our written consent.
- 5.5. Offsetting against claims by the supplier is not permitted, unless these are not disputed or have been legally established.
- 5.6. We oppose all rules concerning retention of title which go beyond simple retention of title. These require a prior written agreement in individual cases. Should subcontractors, despite this, still put forward rights of ownership, rights of joint ownership or rights of lien towards us or have execution procedures carried out, we will have a claim to indemnification towards the supplier due to the damage resulting from this, unless the supplier is not responsible for the underlying breach of duty.

6. Provision

- 6.1. Material or parts provided by us to the supplier for processing as well as any production equipment and tools will remain our property even after processing. Those materials and/or parts must be marked as our property and stored separately. The supplier must store the material with the care of a prudent business man and is obligated to inform us immediately if our property is repossessed at their premises or seizure is imminent. The supplier is responsible for any intervention costs.
- 6.2. Processing and reshaping of provided materials by the supplier are carried out on our behalf. If our reserved goods are processed together with other objects not belonging to us, we will acquire shared ownership in the new item at the rate of the value of the supplied goods (purchase price plus VAT) to the other processed objects at the time of processing.
- 6.3. If a part provided by us is culpably damaged or destroyed in the supplier's area of responsibility, the supplier's liability will also extend to the repair or replacement of the provided part.

7. Quality

- 7.1. The supplier has to set up and maintain a documented quality assurance system, with a suitable type and scope and corresponding to the latest state of the art, but at least to ISO9001. The supplier must create documentation, particularly for quality testing, and provide these to us on request.
- 7.2. If the supplier is certified to ISO9001, we require a copy of the certificate and we must be informed about extension or withdrawal of the certification immediately and without asking.

8. Standards/safety

- 8.1. All units, systems, components and individual parts must comply with the health and safety requirements according to the relevant EU directives and guidelines, the accident prevention regulations, the German Equipment Safety Act (Gerätesicherheitsgesetz) and the state of the art with regard to safety and occupational medicine.
- 8.2. The supplier guarantees compliance with the current and most recently valid EU directives according to the safety of machinery (Machinery Directive, RL 2006/42/EC) and RoHS.
- 8.3. As a rule, the supplier is obligated to carry out the CE marking and to issue a CE Declaration of Conformity.

9. Goods receipt checks

- 9.1. We will check the deliveries as soon as and as far as possible according to proper business procedures as to whether they correspond to the quantity and type ordered, whether any visible external transport damage is present or whether visible external defects are present.
- 9.2. If we identify any defects during the aforementioned checks or afterwards, we will notify the supplier about this.
- 9.3. Notification of defects can be made within 10 working days from delivery or performance of the service or – if defects are only discovered during processing or use – after detection. To preserve our rights, it is sufficient if we have sent off the notification of defect within this period.
- 9.4. We have no obligations towards the supplier beyond the aforementioned checks and notifications.

10. Warranty

- 10.1. Our warranty claims, particularly taking into account suspension of limitation period and restart of limitation, follow the valid statutory provisions.
- 10.2. All deliveries and services from the supplier must correspond to the qualities in our order at the time of passing of risk and must be unconditionally suitable for the customary period of use and the contractually stipulated purpose or, if such a purpose is not defined, for the reasonable customary purpose.

- 10.3. In case of material defects or defective titles regarding the deliveries and services from the supplier, the statutory provisions apply, provided that we are granted the right to choose the type of subsequent performance, rectification of defects or substitute delivery for sales contracts and contracts to supply labour and materials. If the supplier does not rectify the defects despite a deadline set for this, we can back out of the contract or reduce the purchase price or rectify the defect ourselves or have it rectified – all at the supplier's expense – and claim compensation instead of the delivery or service. We can also exercise this right without first setting a deadline if we have an urgent and special requirement for immediate subsequent performance or substitute delivery and we cannot reasonably be expected to grant the supplier a deadline for immediate subsequent performance or substitute delivery.
- 10.4. We are entitled to the full scope of the statutory warranty claims. The supplier has to bear all expenses required for subsequent performance, particularly costs for transport, travel, labour and materials, including all incidental expenses (e.g. cleaning and insulation work, scaffolding, demolition, transport, installation, planning and documentation).
- 10.5. As long as defects are present, we have the right to withhold payment of the remuneration owed to an appropriate extent.

11. Product liability

- 11.1. In as far as the supplier is responsible for a product damage, they are obligated to release us from claims for damages from third parties, including the necessary costs for rejecting these claims, in as far as the cause is within the supplier's area of responsibility and the supplier is independently liable in the external relationship.
- 11.2. In this context, the supplier is also obligated to reimburse any expenses according to par. 683, 670 BGB resulting from or in connection with a recall action or a service callout carried out by us. We will inform the supplier about the content and extent of the recall action or service callout as far as this is possible and reasonable within the time frame and give the supplier the opportunity to make a statement. This does not affect our further claims.
- 11.3. To ensure the accepted indemnification obligation, the supplier is obligated to mark the delivered objects in such a way that they are permanently identifiable as the supplier's products.
- 11.4. The supplier undertakes to take out and maintain a business liability and product liability insurance policy with an insured sum of at least EUR 5 million per person/damage as a lump sum. On our request, the supplier must immediately produce certificates from the insurer confirming such an insurance coverage. This does not affect our further statutory claims.

12. Liability for environmental damage

- 12.1. The supplier is liable for all damage arising in connection with their deliveries and services due to infringement of environmental legislation (e.g. emission laws, used oil and water protection laws, waste deposit laws and/or any regulations passed on this). The supplier must release us from any claims for damages from third parties upon first written request. Beyond this, the supplier must pay for the damage which occurred for us.

13. Force majeure

- 13.1. Industrial action and other unforeseeable and unavoidable events release the supplier and us from the obligation to perform for the duration of the disruption and in the scope of its impact. The affected party must inform the other contract partner comprehensively and immediately and do everything that could reasonably be expected to limit the impact of such events. The affected party must immediately inform the other contract partner about the end of the disruption.

14. Sustainability, corporate ethics

- 14.1. We follow a model of sustainable development and observe internationally accepted, fundamental standards for health and safety, health protection, environmental protection, labour laws, human rights and responsible corporate management. Our company policy follows the internationally valid guidelines for health and safety, environmental and energy management systems. We also expect the supplier and their subcontractors to follow this principle.
- 14.2. The supplier undertakes not to apply any illegal or immoral methods for gathering or obtaining information or data for the purpose of the performance. In particular, the supplier agrees to observe all applicable laws, provisions and official orders to the full extent.

15. Code of conduct for suppliers, safety in the supply chain

- 15.1. The supplier is obligated to comply with the laws of the applicable legal system(s) in each case. In particular, the supplier undertakes to comply with the ILO Fundamental Principles and Rights at Work. Among other things, this means that the supplier will neither actively nor passively, neither directly nor indirectly take part in any form of bribery, violation of the fundamental rights of their employees or child labour.
- 15.2. The supplier must implement the required organisational instructions and measures, particularly in the areas of site protection, safety in handling business partners, personnel and information, packaging and transport in order to ensure safety in the supply chain according to the requirements in line with the corresponding internationally accepted initiatives based on the WCO SAFE Framework of Standards (e.g. AEO, C-TPAT). The supplier must protect their deliveries and services to us or to third parties designated by us against unauthorised access and manipulations. The supplier may only use reliable personnel for such deliveries and services and must engage any subcontractors to take the corresponding measures as well.
- 15.3. If the supplier culpably violates these commitments we will be entitled to back out of the contract or to cancel the contract, notwithstanding further claims. If it is possible to rectify the breach of duty, this right may only be exercised after unsuccessful expiry of an appropriate deadline for rectifying the breach of duty.

16. Stipulations on export control and foreign trade data

- 16.1. The supplier must meet all requirements of applicable national and international customs and trade legislation. The suppliers must provide us – two weeks after the order at the latest and immediately in case of changes – with all information and data in writing which we require for complying with foreign trade legislation for import, export and re-export, in particular:
- all applicable export list numbers including the Export Control Classification Number according to the U.S. Commerce Control List (ECCN);
 - the statistical goods number according to the current goods classification of the international trade statistics and the HS (Harmonised System) Code and
 - country of origin (non-preferential origin) and, if required by us, supplier's declarations on the preferential origin (for European deliveries) or certificates of preference (for non-European suppliers)
- 16.2. If the supplier violates their duties according to item (1), they must bear all expenses and damage arising for us from this, unless the supplier is not responsible for the breach of duty.

17. Documents, secrecy, intellectual property

- 17.1. The supplier has to supply the plans, calculations, operating instructions, drawings, technical data, diagrams, progress reports, quality certificates, freight documents, certificates of origin, export permits and licenses or all other documents which are required by the contract and/or by current legislation within a time frame that allows compliance with the contractual performance deadlines.
- 17.2. The delivery will only be regarded as fully performed once all required documents have been handed over according to the contract/order.
- 17.3. Review or approval of the documents by us does not affect the supplier's responsibility and does not release the supplier from their liability for the scope of the delivery.
- 17.4. Models, samples, drawings, data, materials and other documents which we provide to the supplier (in the following referred to as "URACA documents") remain our property and must be returned to us at any time on request. A right of retention to the URACA documents by the supplier is excluded. The supplier must observe our copyrights to the URACA documents.

- 17.5. Subject to legal, judicial or official disclosure duties, the supplier undertakes to keep secret all technical, scientific, commercial and other information which the supplier directly or indirectly obtains in the framework of the contract, in particular the URACA documents, work results and individual work results (in the following referred to as "confidential information"), to use them for no other purpose than for implementation of the contract, not to use them commercially, not to make them the subject of commercial intellectual property rights, not to pass them on to third parties and not to make them accessible to third parties in any other way. The supplier may only grant access to the confidential information to those employees who absolutely require this confidential information for the implementation of the contract and who have previously been obligated to secrecy of the confidential information to the extent set out in this item, and also for the time after possibly leaving their position with the supplier. The secrecy also applies after completion of this contract; it lapses when and in as far as the production knowledge in the provided images, drawings, calculations and other documents has become general knowledge.
- 17.6. In case of termination or cancellation of the contract, regardless of the legal basis, the suppliers must immediately return the confidential information to us, including all copies and records made thereof in as far as this content reflects the confidential information.
- 17.7. The supplier guarantees that the scope of delivery and any parts thereof do not infringe any intellectual property rights of third parties within the Federal Republic of Germany or, unless the supplier has been informed about this, in the country of destination. In case of an infringement in connection with the scope of supply we will be entitled to demand from the supplier – as decided by us – to obtain the right for using the delivered item without affecting its suitability or to change or replace the supplied item in a way that ensures that its use by us or our customers no longer represents a breach.
- 17.8. The supplier undertakes to hand over all documents and information generated in connection with the scope of delivery. We have the unconditional right to use these documents for the purpose of completion, operation, maintenance, repair, training on and expansion of the scope of delivery. We have the irrevocable, cost-free and unlimited worldwide right to use all systems, programs, documents, know-how or other intellectual property rights which are connected to the scope of delivery or are embodied by it.

18. Advertising ban, severance clause, applicable law, venue

- 18.1. This agreement as well as changes and additions to this agreement must be made in written form. This also applies to waiving the requirement for written form.
- 18.2. Deviating from paragraph 18.1, informal changes or additions to this contract will also be effective if they are individual agreements in the sense of par. 305b BGB.
- 18.3. The supplier may only refer to the existing business connection with our prior written consent.
- 18.4. The rights and duties from this agreement cannot be ceded or transferred to third parties neither in part nor as a whole without prior written consent from the other party.
- 18.5. Failure to exercise rights does not constitute a waiver or forfeiture of a right with regard to these rights.
- 18.6. If one provision or part of a provision in this contract is invalid or infeasible this does not affect the existence and continuation of the respective contract.

- 18.7. The contract is subject to the material right of the Federal Republic of Germany under exclusion of the United Nations Convention on Contracts for the International Sale of Goods as of 11 April 1980 ("CISG").
- 18.8. If the supplier is a businessman, any disputes arising hereunder will be settled before the regional court in Tübingen/Germany.
- 18.9. Unless stipulated otherwise in the order, our headquarters are the place of performance.