

Purchase terms of Jenaer Antriebstechnik GmbH

1. Scope of application:

- (1) These general conditions apply to all agreements between the supplier and Jenaer Antriebstechnik GmbH, hereinafter referred to as JAT.
- (2) Only these purchase terms shall apply; all other terms and conditions shall not apply even if they are not explicitly objected to in individual cases.
- (3) Changes and additions to these purchase terms and any other contractual arrangements must be made in writing or in text form.

2. Conclusion of contract:

- (1) The supplier must immediately confirm the orders in writing or in text form.
- (2) Should we not receive the order confirmation within a period of one week from order placement, we are entitled to cancel the order without the supplier having any right of claim.
- (3) Delivery call-offs shall become binding if the supplier does not object within one week from receipt of placement.

3. Prices and payment terms:

- (1) The agreed price is free at destination and inclusive of packaging.
- (2) Price reductions of the supplier - effective only after a binding order yet before delivery - apply also on the ordered not yet retrieved and/or shipped goods.
- (3) Claims become due for payment only if the invoices, delivery notes, and any other delivery documentation contain the order numbers and article numbers as specified in our order.
- (4) We pay the net purchase price within 14 days following delivery and receipt of invoice with a 3% discount or within 30 days following receipt of invoice.
- (5) In case of early shipments, payment depends on the maturity of the agreed delivery date.
- (6) In case of faulty delivery, JAT is entitled to retain a proportionate payment amount until proper performance.

4. Delivery, delivery time and penalty:

- (1) Shipping risks are to be borne by the supplier.
- (2) The delivery time stated during order placement is binding. Adherence to the delivery times is an essential obligation of the supplier. The supplier is obliged to immediately communicate to JAT in writing or in text form should circumstances arise or become known to the supplier that could potentially lead to a failure to meet agreed delivery times. Any claims arising from a delayed delivery remain unaffected.
- (3) In case of default, JAT can claim for each completed week of delay a contractual penalty of 0.5%, yet not more than 5% of the total price of the delivery or partial delivery. The penalty is payable even if JAT accepts the delayed delivery. The supplier can demonstrate to JAT that no or a significantly small damage has occurred due to the delay. Further damage claims remain unaffected. JAT reserves the right to offset the contractual penalty with the supplier's invoices.
- (4) Force majeure or labour disputes may exempt the supplier for the duration and scope of its performance obligations. The affected party is obliged to immediately inform the other party of such event in writing. JAT shall be fully or partially exempt from the obligation to accept/decline the ordered deliverables in whole, and is entitled to withdraw from the contract, if the delay due to force majeure or labour disputes causes the deliverables to be no longer useful to JAT from an economic point of view. The same applies if the event continues for more than two weeks. The risk of shipment shall be borne by the supplier.

5. Proof of origin, VAT documentation and export restrictions:

- (1) JAT is entitled to request proof of origin; the supplier shall provide such, properly signed and including all information required. Changes must be communicated to JAT immediately and in writing.
- (2) The same applies to VAT documentation relating to international and intra-community services.
- (3) The supplier shall immediately inform JAT should a delivery be wholly or partly subject to export restrictions under German or other laws.

6. Examination of defects/ warranty:

- (1) Upon receipt, JAT may examine the goods for obvious defects, identity, incorrect quantities, and transport damages. A further obligation of examination is not present. JAT is not obliged to examine goods - before they are removed from the package - that are usually left in the package until they are used.
- (2) Any defects or other deviations must be communicated to the supplier within 8 business days (Monday - Friday) following the delivery. Hidden defects shall be notified within 8 days following their identification. The supplier waives the right to object to delayed complaints.
- (3) The supplier shall rectify the defects immediately and without charge. The supplier shall bear all expenses necessary to remedy the defect, in particular expenses arising from troubleshooting, transport, travel, labour and material costs.
- (4) The statutory warranty claims shall be granted to JAT in full; JAT is also entitled to request removal of defect or delivery of a new item as JAT deems fit. The right for compensation, in particular, shall be expressly

reserved to compensation and not to performance.

7. Product liability/ exemption/ insurance coverage:

- (1) If the supplier is responsible for the damage, the supplier is obliged to compensate JAT for any third-party compensation claims if the cause lies within the supplier's sphere of responsibility or organisation and the supplier himself is liable in relation to third parties.
- (2) As part of the supplier's liability for damages within the meaning of Article 1, the supplier is also obliged to reimburse any expenses arising out of or in connection with a recall action of JAT. JAT shall inform the supplier about content and scope of the recall action and - if possible and reasonable - allow the supplier to comment. This shall not affect other legal claims.
- (3) The supplier undertakes to maintain a product liability insurance with a 10 million EUR flat rate coverage per personal injury/property damage.
- (4) Further damage claims remain unaffected.

8. Liability:

Claims for damages of the supplier, irrespective of the legal reason, in particular for breach of other obligations under the contract or liability in tort, are excluded unless the liability is obligatory, e.g. in the case of intent or gross negligence or damage to life, body or health or violation of essential contractual obligations. The claim for damages based on breach of fundamental contractual obligations is limited to the typical, foreseeable damage if there is no case of intent or gross negligence or damage to life, body or health.

9. Property rights:

- (1) The supplier guarantees that in connection with its delivery no third-party rights are violated.
- (2) Should JAT receive a claim from a third party in this regard, the supplier is obligated to indemnify JAT from such claims.
- (3) Indemnity shall be carried out at the first written request.
- (4) The indemnification obligation of the supplier refers to all expenses arising from or in connection with the claim by a third party towards JAT.

10. Provision/Retention of title:

- (1) If JAT provides the supplier with parts, we reserve ownership of them. Processing or rebuilding by the supplier shall be made for us.
- (2) If the reserved goods be processed or inseparably mixed with other goods not belonging to JAT, JAT shall

acquire co-ownership of the new item in proportion to the value.

- (3) The supplier shall store the provided, processed, re-built or mixed items with care.
- (4) Tools, molds, models and other manufacturing means, as well as confidential pictures, calculations and drawings paid or provided to the suppliers by JAT shall remain property or shall become property of JAT and are exclusively for the production of JAT's orders. The supplier must provide such items on demand.

11. Confidentiality:

- (1) The supplier is obliged to treat as confidential all contract-related commercial and technical details, including pictures, drawings, and calculations, unless such information be in the public domain. The supplier shall bound its subcontractors accordingly.
- (2) If the damage is based on a gross negligent breach of this duty of confidentiality, the defaulting party shall be liable to compensation for the damage of the third party.
- (3) In the case of failure to observe this duty of confidentiality, the defaulting party shall pay to the other party a contractual penalty of 10,000 EUR.

12. Prevailing version/ Applicable law:

- (1) All supply contracts are subject to German law, even if the supplier has its headquarters abroad or if the contract is not written in the German language.
- (2) If in doubt, the German version of these purchase terms shall be the authentic and prevailing version.

13. Place of jurisdiction/ Place of performance/ Severability clause:

- (1) Jurisdiction and place of performance is Jena.
- (2) If any provision of these terms becomes invalid or unenforceable or loses effectiveness through yet unknown circumstances, the validity of the remaining provisions will remain unaffected.

Date: 20.09.2016