

General Conditions of Purchase

1. Validity

Present and future business relationship between Supplier and MTCE GmbH (MTCE) shall exclusively be based on these General Terms and Conditions of Purchase. Any terms and conditions of Supplier shall not be applicable even if not expressly rejected or objected to.

2. Orders

Any information, documents and/or general statements as well as purchase orders and/or any changes or supplements thereof shall not be binding unless they are issued or confirmed by MTCE in writing. Orders/changes of orders/addendums that are not rejected by Supplier within 2 (two) working days after their receipt are accepted. Nonetheless MTCE is entitled to cancel such orders/changes of orders/addendums which have not expressly been confirmed within 2 (two) weeks after their receipt by Supplier.

Remote data transmission including faxes, emails, internet platforms shall be deemed to constitute written form.

Any quotes submitted in response to a request for quotation shall be free of charge for MTCE and non binding. Supplier's quote shall be valid for one month from the date received by MTCE.

In case Supplier does not reject MTCE's Purchase Order within 24 hours after receipt and provide a reasonable justification for rejection the Purchase Order shall be deemed to be accepted.

MTCE shall be entitled to cancel without any liability a Purchase Order by giving notice 2 weeks prior to delivery date. MTCE may require the Supplier to implement changes to the design, construction or manufacturing process of the goods to be supplied. The effect of such changes particularly those relating to cost increases or decreases and/or delivery date changes shall be subject to prior agreement between the parties.

3. Delivery and Acceptance

Delivery dates provided in the Purchase Order are binding.

The relevant date for compliance with the binding delivery date is the date of receipt of goods by MTCE at the place of delivery specified by MTCE in accordance with the Incoterm agreed by the Parties. If Supplier anticipates that the agreed dates cannot be met for any reason the Supplier shall immediately inform MTCE stating the cause and duration of the delay. Supplier shall at its own expenses take all necessary measures (airfreight etc.) to prevent any delay or damage caused by the delay.

If goods are delivered before the delivery date, MTCE shall have the right to reject such goods at Supplier's risk and expense. MTCE will accept partial deliveries only upon prior agreement. If the Parties agree to partial deliveries the quantity of remaining goods not shipped shall be stated in the delivery documents.

In case of delay in delivery Supplier shall indemnify and hold MTCE harmless with respect to all direct and indirect damages caused by such delay. If after a reasonable grace period granted by MTCE Supplier does not fulfill its delivery obligation, MTCE shall be entitled at its sole discretion to rescind the contract/Purchase Order or to purchase the respective goods from a third party at Supplier's costs.

4. Price and Payment

The prices are fixed prices (DDP Villingen-Schwenningen), including packaging, but excluding applicable value added tax.

The payment shall fall due after receipt of goods in compliance with the contract and supplement of a correct and verifiable invoice within 14 days with 3% cash discount, 30 days with 2% or 60 days net, unless otherwise agreed. The periods of payment do not start before the agreed delivery date.

Should the delivery not conform to the obligations set out in the Purchase Order or the contract MTCE shall be entitled to retain the respective proportional part of the payment until the Purchase Order/contract has been fully complied with. If and to the extent that payment was already made for non-conforming deliveries, MTCE shall have the right to retain any further payments falling due, up to the amount of the claimed delivery.

5. Transfer of Risk

The risk of accidental loss or deterioration of the goods shall pass from Supplier to MTCE in accordance with the agreed Incoterm.

6. Warranty /Liability

Supplier shall guarantee the compliance of the goods with the drawings, specifications and samples or other descriptions furnished, specified or approved by MTCE as well as all applicable safety and environmental rules or regulations in force in the countries where the goods or the product incorporating the goods are sold or used (as long as MTCE notifies supplier of said countries) including those of EU/EFTA, NAFTA and APAC. The goods shall be in accordance with the state of the art, of good material and workmanship and free from any defects and if applicable comply with the obligation of REACH, RoHS and WEEE. With respect to the design this warranty provision shall only apply if and to the extent that Supplier is or was responsible for the design during product development.

Supplier's warranty for defects shall expire 36 month after delivery (Warranty Period)

If MTCE notifies the Supplier at any time within the Warranty Period in writing that the goods do not comply with the provisions of the contract or the Purchase Order, MTCE may at its option, require that the Supplier either repair or replace the goods with all possible speed and without costs to MTCE (including any relevant freight and duty costs incurred). MTCE shall have the additional option during the Warranty Period returning the goods to Supplier at Supplier's cost and receiving a credit of the purchase price or after prior notice to purchase the goods from any third party at Supplier's cost.

Furthermore Supplier shall indemnify and hold MTCE harmless from any and all damages occurred at MTCE due to the delivery of defective goods or due to breach of contract/Purchase Order or due to any breach of any of Supplier's obligation under the contract, Purchase Order or these General Terms and Conditions.

7. Intellectual Property Rights

Supplier guarantees that the development, manufacture and intended use of the goods do not infringe any third party property rights. If Supplier uses any third party property rights Supplier guarantees that such use is permitted.

Supplier shall indemnify and hold MTCE and its customers harmless on first demand from any third party claims resulting from use or infringement of such third party property rights. This shall not apply if Supplier manufactured the goods delivered in accordance with drawings, models or equivalent other descriptions or information provided by MTCE and Supplier is not of relevant third party rights.

8. Provision of Material

In case MTCE provides the supplier with raw material the Supplier shall be responsible for inspection of all raw material and shall notify MTCE in writing within 10 (ten) days of receipt of any raw material that is held to be defective, damaged or non conforming.

MTCE shall retain title to raw material provided to Supplier and the Supplier shall at all times protect MTCE's interests therein. All such raw material must be identified as "property of MTCE" and insured sufficiently against fire, water and theft at the Supplier's expense. The Supplier shall not use any raw material provided by

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MTCE for any other purpose than the manufacturing of goods under the contract or Purchase Order.

All use/work to be done with the raw material shall exclusively be on behalf of MTCE.

9. Drawing, Models, Samples

Documents of any kind such as samples, drawings, models or direct materials we provide to the supplier remain our property and must be returned to MTCE on MTCE's request by the supplier free of charge. Supplier shall not disclose any such models, samples, drawing or any information regarding the business relationship with MTCE to any third party without MTCE's prior approval.

10. General

The law of Germany shall exclusively apply excluding its conflict of law provisions. The United Nations Conventions on the International sale of Goods (CISG) shall also not apply. The court of Villingen-Schwenningen, Germany shall have exclusive jurisdiction.

Place of performance of delivery and payment is Villingen-Schwenningen if not agreed otherwise in the Purchase Order.