

# Purchase Terms of Gerg Lighthouse GmbH

(as at March 2020)

## 1. General Terms and Conditions

- 1.1. Purchase orders of Gerg Lighthouse GmbH (hereinafter "**GLH**" or "**we**") and contracts for the purchase of goods and services by GLH (hereinafter together "**Purchase Orders**") from a third party (hereinafter "**Supplier**") shall be governed solely by these Purchase Terms. Terms and conditions of the Supplier that conflict with or deviate from the Conditions of Purchase will not be recognised unless we expressly consent in writing to their validity. The Purchase Terms shall apply even if we accept the goods or service in the knowledge of conflicting or deviating terms and conditions of the Supplier.
- 1.2. These terms and conditions shall apply vis-à-vis entrepreneurs (as defined in section 14 (1) of the German Civil Code, BGB), public corporations and federal special assets.
- 1.3. These terms and conditions shall also apply for future transactions with the Supplier under a continuing business relationship.

## 2. Purchase Order and Confirmation of Order

- 2.1. Our contracting representatives are only authorised to issue written Purchase Orders. Verbal agreements shall therefore require written confirmation in order to be valid.
- 2.2. The Supplier shall confirm Purchase Orders, indicating the reference and/or the purchase order number and stating the binding price and delivery date, within five (5) working days. If no confirmation of order is received within this period, the Purchase Order will be deemed accepted.
- 2.3. Offers of the Supplier shall always be given free of charge, particularly in respect of the necessary drawings or other documents.
- 2.4. All our offer documents and protectable information, in particular drawings, plans, costings and technical specifications, shall remain our property and may not be placed at the disposal of third parties or disclosed without our written consent.
- 2.5. Tools and models provided by us or manufactured in accordance with our specifications may not be placed at the disposal of third parties. The Supplier shall also be bound not to produce any parts for third parties using such tools and models. The Supplier shall be liable for all losses suffered by us or by third parties as a result of failure to comply with these requirements.
- 2.6. If the Purchase Orders exhibit regulations or content that differ from these Purchase Terms, the regulations/content in the Purchase Order shall take precedence.

## 3. Prices

The prices set out in the Purchase Order are binding (hereinafter "**Fixed Prices**") and preclude subsequent demands of all kinds. In the absence of any agreement to the contrary, the price shall include delivery "DDP (according to Incoterms 2020) delivery address – according to Purchase Order – including packaging". This price shall in particular cover all freight charges, customs duties and packaging and other supplements. All prices apply exclusive of value-added tax at the rate prevailing on the date of the Purchase Order.

## 4. Sub-orders, Delivery, Passage of Risk

- 4.1. The Supplier may only place sub-orders with our prior written consent. This will not apply in the case merely of purchases of standardised and commercially available parts. If sub-orders are placed without authorisation, we shall have the right to withdraw from the Purchase Order at once without prejudice to any further claims, in particular claims to compensation.
- 4.2. Delivery shall be at the risk and cost of the Supplier. The place of performance shall in principle be the delivery address indicated on the Purchase Order.
- 4.3. The Supplier shall bear the risk of accidental loss, destruction or deterioration until acceptance of the item by us or our agent at the place where the item is to be delivered according to the order. If acceptance of the service is required by law or contract, the risk shall not pass until successful acceptance and the issuance of an acceptance report signed by both sides.
- 4.4. In the case of deliveries from abroad, the Supplier shall comply with all requirements of applicable national and international customs and foreign trade regulations (hereinafter "**Foreign Trade Regulations**"). The Supplier shall inform us in writing not later than two (2) weeks after the Purchase Order, and in the event of changes without undue delay, of all information and data that we require in order to comply with Foreign Trade Regulations for export, import and re-export. If the Supplier breaches its duties, it shall bear all expenses and losses that we incur as a result, unless the Supplier was not responsible for the breach of duties.
- 4.5. If delivery is made earlier than agreed, we reserve the right to return the goods at the expense of the Supplier. If we accept an early delivery, we will store the goods on our premises at the risk and expense of the Supplier.
- 4.6. We will only accept partial deliveries by express agreement. If partial shipments are agreed, the remaining residual quantity shall be indicated. In the case of excess deliveries greater than 3.00% of the order quantity, we reserve the right to return the excess goods delivered at the expense of the Supplier.
- 4.7. Subject to evidence to the contrary, unit quantities, weights and dimensions shall be governed by the values we have determined.
- 4.8. If the delivery includes software products, the duty to deliver shall not be fulfilled until the complete user documentation, all required access data and in the case of software specifically produced for us the source code as well have been transferred.

## 5. Packaging, Proof of Origin

- 5.1. A delivery note must be enclosed with each delivery. All notifications of dispatch, delivery notes, packing slips, waybills, invoices, outer packaging etc. shall indicate the order reference, reference numbers and other details required for the purposes of processing the order. If the Supplier fails to ensure this, we shall not be responsible for delays in processing.
- 5.2. Our packaging instructions set out in the respective individual Purchase Orders must be followed. The Supplier shall be liable for damage resulting from deficient packaging.

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- 5.3. The Supplier shall comply with all pertinent legal provisions governing the packaging, labelling and dispatch of its products. This shall particularly apply if the delivery contains dangerous or hazardous substances. All prescribed safety data sheets must be enclosed with the delivery.
- 5.4. For all deliveries of goods, the Supplier shall provide us with details of the origin and where appropriate the customs tariff number referenced to the part number. In the case of goods originating in the EU, the Supplier shall provide this information automatically by means of a long-term supplier's declaration or individual supplier's declaration. Changes must be reported to us without undue delay.
- 5.5. The Supplier shall be bound to take back the packaging of the delivery item. Should the packaging materials nevertheless remain with us and cannot be reused (e.g. composite material) and/or should disposal by the Supplier or by a third party commissioned by it not be assured, we reserve the right to return the packaging materials to the Supplier at its expense or to dispose of them at its expense.

## 6. Delivery Period, Delay in Delivery, Contractual Penalty

- 6.1. The delivery date stated in the Purchase Order shall be binding. Observance of the delivery date shall be governed by receipt of the goods at the destination indicated by us.
- 6.2. If delivery is not made within the agreed period, the Supplier shall be liable for all consequences suffered by us as a result of culpably delayed delivery. Any delays in delivery must be reported without undue delay. Additional costs for dispatch and express shipments that arise as a result of default shall be borne by the Supplier. If delivery is delayed, we shall have the right to withdraw from the contract after a reasonable period of grace set for renewed performance has passed without result. Under the same conditions, we may also make a covering purchase at the expense of the Supplier and demand other compensation in lieu of performance unless the Supplier is not responsible for the delay. If it is unconscionable to wait for the period of grace in the individual case or the Supplier seriously and finally refuses to take back the delivery, a period of grace need not be set.  
In the case of default in delivery, we shall have the right to demand a contractual penalty of 0.50% of the order value of the delayed delivery for each commenced week of default, but not more than 5.00% of the order value in total; this shall be without prejudice to our right to assert a greater loss. The contractual penalty will be credited to any compensation that we assert, so that the contractual penalty imposed constitutes the minimum amount of compensation. The Supplier will have the right to demonstrate that no loss or a lesser loss occurred as a result of the default. We will be bound to declare reservation of the contractual penalty within not more than ten (10) working days calculated from receipt of the delayed delivery. We reserve the right to assert further claims. The Supplier is subject to an ancillary contractual duty to notify us in writing of any delays in delivery in respect of the entire or individual parts of the delivery, stating the grounds and the anticipated duration of the delay. If the Supplier culpably breaches this duty of notification, it shall be liable for the loss arising therefrom. This shall be without prejudice to liability for default.

## 7. Payment and Invoices

- 7.1. We can only process invoices if they contain the order number and order date according to the specifications in the Purchase Order. The date of invoice receipt shall be the date it is received by us. The Supplier shall be responsible for all consequences arising from failure to meet this obligation unless it demonstrates that it was not responsible for this failure. If the Supplier has delivered before the agreed delivery date, all the time limits depending on the delivery date shall be calculated on the basis of the agreed delivery date rather than the actual delivery date.
- 7.2. The Supplier shall issue a due invoice conforming to the German VAT Act (UStG). The Supplier shall in particular enter on the invoice the tax reference number issued to it by the revenue authority or the VAT identification number issued to it by the Bundesamt für Finanzen.
- 7.3. Unless otherwise agreed in writing, we will pay the purchase price within fourteen (14) days with a 3.00% discount or net within forty-five (45) days, in each case calculated from delivery and receipt of a due and verifiable invoice conforming to the requirements under paragraph 7.1.
- 7.4. In the case of deficient delivery we shall have the right to refuse payment until due renewed performance. This shall also apply in cases of force majeure and other unforeseeable events for which we are not responsible, such as strikes, lockouts or natural disasters, that make it temporarily impossible or financially prohibitive to receive the performance or render the consideration. All time limits for discounts, rebates or other reductions in payment shall be suspended for the duration of the retention periods.
- 7.5. Without prior written consent from us, which we may not unreasonably refuse, the Supplier shall not have the right to assign its claims against us or to have these collected by third parties. Consent shall be deemed given if extended reservation of title exists. If, contrary to sentence 1, the Supplier assigns its claims against us to a third party without our consent, the assignment shall be effective, but we may at our option make performance to the Supplier or the third party with discharging effect.
- 7.6. In addition to the rights of set-off and retention allowed under law, we shall have the right to set off or withhold claims due to us from the Supplier on the basis of a supply contract or other agreement against amounts that are to be paid within the scope of a supply contract.
- 7.7. No payment shall constitute recognition of the contractual conformity or fulfilment of the performance by the Supplier.

## 8. Quality Assurance, Performance Requirements, Documentation

- 8.1. The Supplier undertakes to carry out quality assurance that is appropriate in type and scope and conforms to the latest state of the art and to provide evidence of this to us upon request. The Supplier shall enter into a corresponding quality assurance agreement with us if we consider this to be necessary.
- 8.2. The Supplier undertakes to observe the recognised rules of the art and in particular the regulations, standards and guidelines in respect of execution, registration, the prevention of accidents and environmental protection that are issued by legislators, the supervisory authorities, employers' liability insurance associations and competent technical bodies and/or technical associations, in particular the German Hazardous Substances Ordinance

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(GefStoffV), the German Packaging Ordinance (VerpackV), Regulation (EC) No 1907/2006 on the registration, evaluation, authorisation and restriction of chemicals (REACH Regulation) and Regulation (EC) No 1272/2008 on the classification, labelling and packaging of substances and mixtures (CLP Regulation). These regulations, standards and guidelines shall apply as amended at the time of delivery.

8.3. The Supplier warrants that all parts/products supplied by it do not at present and will not in the future contain any prohibited substances. On delivery the Supplier shall submit a manufacturer's declaration or EC Declaration of Conformity for all affected goods.

8.4. Our fulfilment of the contract is subject to the proviso that fulfilment does not conflict with any obstacles on the basis of national or international provisions of Foreign Trade Regulations or any embargoes and/or other sanctions.

## 9. Supply of Spare Parts

9.1. The Supplier undertakes to supply us with all necessary spare parts for the duration of the average life of the supplied product.

9.2. The price for the spare part may not be higher than the price for a corresponding part on the open market.

9.3. If the production of spare parts was ceased after expiry of the period set out in paragraph 9.1, the Supplier undertakes to deliver drawings/design documents to us on request against a reasonable fee. We will use these documents solely for the manufacture of spare parts for our own use and will only make them available to third parties if this is necessary for their manufacture.

9.4. The Supplier undertakes to inform us in writing at least six (6) months prior to ceasing the manufacture of a product purchased by us.

## 10. Receiving Inspection

10.1. We will only be bound to inspect the goods within a reasonable period of time according to the ordinary course of business for identity, conformity of content between the Purchase Order and delivery and obvious and visible damage in transit. We will inspect the delivered goods for quantity and identity and any other deviations in quality solely on the basis of the delivery documentation and the labelling on the outermost packaging of the goods. No further obligation to perform a technical goods receiving inspection shall exist. We will notify the Supplier within a reasonable period of any defects found by us or by our customers according to the circumstances of the ordinary course of business. Notification in the case of non-obvious (hidden) defects will always be timely if it is received by the Supplier within a period of fourteen (14) calendar days calculated from discovery by us. If examination of the goods is made difficult by circumstances within the control of the Supplier, the time limit shall be extended accordingly.

10.2. The Supplier shall be bound to present to us within ten (10) working days of receipt of our notification a presentation of the cause of the fault, the determination of the fault and the proposed measures to rectify the fault. If such a report is not possible within the time limit, having regard for all circumstances of the individual case, the time limit shall be extended by a reasonable period of time.

## 11. Warranty for Material Defects and Deficiencies in Title

11.1. The Supplier shall at our option remedy deficient goods or services by delivering a flawless item or by a flawless repetition or improve them by rectifying the defect (supplementary performance). All costs necessarily incurred for supplementary performance, in particular shipping costs and the costs of disassembly and installation, shall be borne by the Supplier.

11.2. Supplied goods and services must be free of third-party rights. If delivering data processing programs, the Supplier shall ensure that it holds all rights, in particular property rights, that are necessary for transfer of the program and is able to grant us all rights necessary for use of the program. In the case of deficiencies in title, the Supplier shall likewise be obliged to make supplementary performance, which may in particular take the form of the subsequent purchase of all necessary licences or consents from the holders of the rights encumbering the subject matter.

11.3. We shall be entitled to withdraw from the contract following the expiry without result of a reasonable period of grace set by us for supplementary performance. If the supplementary performance fails, if the Supplier seriously and finally refuses it or if the supplementary performance is unconscionable for us (particularly in the case of repeated disruptions to deliveries of the Supplier), we may withdraw from the contract, return the goods at the Supplier's risk and cover our needs elsewhere. The Supplier shall bear the additional costs incurred thereby. In urgent cases we may, in consultation with the Supplier, undertake the improvement ourselves or have it performed by a third party. The Supplier shall bear the costs incurred thereby if the Supplier is responsible for the defects and in the cases set out below.

In the case of purchase contracts, where there is a particular urgency in which it is no longer possible to inform the Supplier of the defect and an imminent loss and set it a deadline – even if short – to remedy the matter, we shall have the right to rectify defects, remedy losses and make covering purchases at the expense of the Supplier. In the case of contracts for works, we shall have the statutory rights to remedy the defect ourselves. In this case we shall have the right to rectify defects, remedy losses and make covering purchases at the expense of the Supplier without prior agreement where there is a risk to operational safety and/or in order to avoid unusually high losses to us or to third parties. In the above cases we will make the defective goods or their defective parts available to the Supplier on request and at its expense and subject to our rights of retention.

11.4. Under the same conditions, we may also make a covering purchase at the Supplier's expense, reduce the price and demand other compensation in lieu of performance unless the Supplier is not responsible for the delay.

11.5. Claims accruing to us from defects shall become time-barred thirty-six (36) months after the passage of risk. Where the law prescribes longer periods, these shall apply instead. The limitation period for claims will be suspended for as long as the goods are on the premises of the Supplier or of its vicarious agents for the purposes of examination for defects or improvement.

11.6. The limitation period for parts improved or subsequently supplied within the limitation period shall begin to run again from the date on which the Supplier has fulfilled the claim to supplementary performance in awareness of

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- its duty of supplementary performance. In the case of improvement, however, this shall not apply in respect of the same defect or the consequences of deficient improvement.
- 11.7. If defects or malfunctions of the same kind occur in more than 10.00% of the supplied goods of the same type within a period of three (3) years following delivery to us, this shall constitute type or serial damage. In this case we shall have the right to demand replacement of a whole series of contract items or of our products in which the contract items have been installed at the expense of the Supplier, even if individual items do not yet manifest the defect.
- 12. Product Liability, Release, Insurance**
- 12.1. If a product supplied by the Supplier exhibits a defect, the Supplier shall be bound to release us to that extent from claims for compensation brought by third parties if the cause was under its control and organisation and it is personally liable to third parties for the damage caused by the defect.
- 12.2. The Supplier undertakes to ensure that no rights of third parties anywhere in the world are infringed in connection with its delivery and releases us from any claims brought by third parties in the case of a culpable breach of this duty. The release of the Supplier shall also apply to all expenses or losses that we incur as a result of or in connection with pursuit by a third party.
- 12.3. The Supplier shall be bound to conclude an extended worldwide (inc. USA and Canada) product liability and recall costs liability insurance policy with a sum insured for personal injury, material damage and financial losses in the amount of €5 million respectively per damaging event, to maintain such insurance uninterruptedly for the duration of this agreement and to provide evidence of this to us on request. At our request the Supplier shall also present a counter-signature of this agreement by the insurer. This shall be without prejudice to any further claims for compensation which we may be entitled to pursue.
- 13. Property Rights**
- 13.1. The Supplier consents and undertakes to ensure that we receive the non-exclusive, irrevocable, transferable right unlimited in territory and time to use and distribute the products to be supplied and services to be performed by the Supplier, including the know-how contained therein, the owed documentation and the source and object code of any software (hereinafter together "**Supplies**") for the respective contractual purpose, unless any further and additional rights are transferred to us. The same shall apply for the graphics, commercial symbols, other business names, brand and working titles of the Supplier that may be contained in the Supplies.
- 13.2. This shall include the right to rework, modify and expand the Supplies and to distribute the products created thereby in a manner other than in the original version of the Supplies.
- 14. Confidentiality, Minimum Wage**
- 14.1. The Supplier is bound by a strict duty of confidentiality in respect of our business or operating secrets and other information about our company that may be acquired in the course of the contractual relationship, in particular concerning sources of supply and customer relations.
- 14.2. If we have entered into a separate confidentiality agreement with the Supplier, this shall take precedence in the case of deviations and conflicts.
- 14.3. The Supplier shall be bound to impose the comprehensive duty of confidentiality/secretcy incumbent upon it on all employees in the case of every single Purchase Order. If the Supplier breaches this duty, we reserve the right to assert a contractual penalty and/or claim for damages in accordance with the following provisions or statutory regulations.
- 14.4. If the Supplier has received illustrations, drawings, calculations and/or other documents or items from us, we reserve title and copyright to them. They may only be used for manufacture on the basis of our Purchase Order. They must be returned to us unsolicited following execution of the Purchase Order.
- 14.5. The Supplier shall in particular be bound to treat all specimens, drawings, calculations, other documents, information and/or items received as strictly confidential. They may only be disclosed to third parties with our express consent.
- 14.6. Only with our express written approval shall the Supplier be permitted to refer to the business relationship with us in its information and advertising material.
- 14.7. All duties of confidentiality under this paragraph 14 shall not apply to facts that are in the public domain or that are known to the Supplier at the time the contract is concluded or become known to the Supplier later through no breach of contract by the Supplier. The duties of confidentiality shall continue to exist beyond the end of the respective contract and shall end five years after the end of the respective contract (in the case of recurring obligations) or after the main contractual obligations have been met in full by both parties (in the case of other contractual relationships).
- 14.8. The Supplier shall be liable for all losses that we suffer as a result of a breach of one of the obligations under paragraphs 14.1 to 14.6.
- 14.9. In the event of the culpable breach by the Supplier of an obligation under paragraphs 14.1 to 14.6, we may also determine as we see fit and demand from the Supplier a reasonable contractual penalty. The Supplier will have the option of having the reasonableness of the contractual penalty examined by the competent court. The contractual penalty will be credited to any compensation that we may assert, so that the contractual penalty imposed constitutes the minimum amount of compensation.
- 14.10. Subcontractors must be obligated to observe the same duties of confidentiality and secrecy as set out in paragraphs 14.1 to 14.6.
- 14.11. The Supplier shall ensure that the employees used by it or by its subcontractors or personnel service providers to execute Purchase Orders receive the statutory minimum wage pursuant to the German Minimum Wage Act (MiLoG) or, if the services to be performed fall within the scope of the German Posting of Workers Act (AEntG), the industry minimum wage respectively prescribed. The Supplier shall likewise ensure that mandatory duties to pay contributions to social security institutions, employers' liability insurance associations and other institutions such as the communal schemes of parties to collective agreements as set out in section 8 AEntG are duly fulfilled.

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- 14.12. When selecting subcontractors or personnel service providers, the Supplier shall verify fulfilment of the preconditions pursuant to paragraph 14.11 and shall bind the subcontractors or personnel service providers in writing to comply with them. It shall also obtain written confirmation from them that they will demand compliance with the requirements by subcontractors or personnel service providers commissioned by them.
- 14.13. For the case that an employee of the Supplier or an employee of a subcontractor, irrespective of their seniority, or of a personnel service provider legitimately brings an action against us as guarantor for payment of the statutory minimum wage or industry minimum wage or one of the institutions of the parties to collective agreements set out in section 8 AEntG legitimately brings an action against us as guarantor for the payment of contributions, the Supplier releases us from these claims. In these cases we shall also have the right to withdraw from the contract immediately.
- 14.14. The Supplier shall also be liable to us for any loss that we suffer as a result of culpable failure to fulfil the duties set out under paragraphs 14.12 and 14.13.
- 15. Prohibition of Set-Off, Reservation of Title, Purchase Orders and Tools of the Customer**
- 15.1. Set-offs and netting vis-à-vis us shall only be permitted if the claims of the Supplier are undisputed, have been declared final in a court of law or are ready for adjudication. The same shall apply for rights to withhold and rights to refuse performance.
- 15.2. Extended reservations of title are not permitted.
- 15.3. If we provide parts to the Supplier, we reserve title to them. Processing or transformation by the Supplier shall be performed for us. If our reserved goods are processed with other objects not belonging to us, we shall acquire joint title to the new item in the proportion of the value of our item (buying price plus VAT) to the other processed objects at the time of processing.
- 15.4. We reserve title to tools, devices and other production equipment; the Supplier shall be bound to use the tools etc. solely for the manufacture of the goods ordered by us, to keep these secret and to surrender them free of charge on demand at any time. They may not be passed on to third parties or used for the Supplier's own purposes. The Supplier undertakes to insure the tools, devices and other production equipment belonging to us at its own expense against fire damage, water damage and theft at the replacement value. The Supplier hereby simultaneously assigns all compensation claims arising from this insurance to us. We hereby accept the assignment. The Supplier shall be bound to perform any necessary servicing and inspection work and all repair and maintenance work on tools etc. in good time at its own expense. It shall notify us immediately of any breakdowns; if it culpably fails to do so, this shall be without prejudice to claims for damages.
- 15.5. If the Supplier manufactures or – after payment by us – acquires tools, devices, production equipment, etc. for the order, these shall become our property and shall be marked by the Supplier as our property; if we only partly pay for these objects, we shall acquire joint title to the item to the extent of the part amount paid by us. These provisions shall apply mutatis mutandis for the items manufactured and/or acquired for us.
- 16. Prohibition of Advertising**
- The Supplier may not advertise its business relationship with us or our goods or refer to these in public without our prior written consent.
- 17. Data Protection**
- In accordance with the provisions of the General Data Protection Regulation, we advise the Supplier that we will process its personal and company data required for the purposes of the business relationship with the aid of electronic data processing tools. Please refer to our separate data protection statement. The Supplier undertakes to comply with data protection provisions.
- 18. Code of Conduct / Social Responsibility**
- Compliance with the laws of the applicable legal regime is a contractual duty. The Supplier shall neither actively nor passively participate in any form of bribery or infringement of the basic rights of its employees at the workplace, shall comply with environmental protection laws and shall support and promote observance of this principle among its own suppliers as well.
- 19. Vicarious Agents**
- The Supplier shall be answerable for supplies and services of its own suppliers as well as for its own supplies and services; the suppliers of the Supplier shall consequently be considered its vicarious agents.
- 20. Place of Performance, Law and Jurisdiction**
- 20.1. To the extent that such agreement is permitted and no agreement to the contrary has been reached, the place of performance for supplies and services shall be the destination, for payments the registered office of GLH.
- 20.2. All Purchase Orders shall be governed by the laws of the Federal Republic of Germany, to the exclusion of international conflicts-of-laws principles. Application of the UN Sales Convention (CISG) is excluded.
- 20.3. The sole place of jurisdiction for all disputes arising directly or indirectly from this contractual relationship shall be the court having local competence for the registered office of GLH if the Supplier is a merchant, a public corporation or a federal special asset. We shall also have the right to pursue the Supplier at its general place of jurisdiction.
- 20.4. Should individual provisions of these Purchase Terms be or become ineffective, this shall be without prejudice to the effectiveness of the remaining provisions.

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