

**GENERAL TERMS AND CONDITIONS OF PURCHASE**  
**of Star Equipment GmbH, Otto-Lilienthal-Strasse 5, 71034 Boeblingen, Germany**

**1. General provisions and applicability**

- (1) These General terms and conditions of purchase apply to
  - a person engaging in commercial activity or self-employment when entering into the contract (contractor) and
  - legal entities or a fund set up under public law.

Hereinafter, our contractual partner shall be referred to as the "Supplier".

- (2) All of our orders shall be subject to these terms and conditions, as well as any separate contractual agreements. Any terms of sale or other conditions of the Supplier that deviate from or go beyond these terms and conditions shall be incorporated into this agreement neither by unqualified acceptance of the goods nor by payment.
- (3) They shall also apply to all future business transactions, and to all commercial contact with the Supplier – for example, when entering into contract negotiations, or initiating a contract – even if they are not expressly restipulated, or if attention is not expressly drawn to them again.
- (4) Should, in a particular case, obligations be created towards other persons or companies who are not themselves parties to the contract, then the limitations of liability within these General terms and conditions of purchase shall apply with respect to these parties, insofar as these General terms and conditions of purchase were brought to bear with respect to these parties when the obligation was first created. This shall above all be the case if those third parties learned of or already were familiar with these General terms and conditions of purchase when the obligation was created.

**2. Tenders, tender documents, conclusion of the contract**

- (1) Our tender shall be binding until 3 days after receipt thereof. The Supplier may accept by returning its signed copy of the order. We must receive the copy no later than 3 days after receipt of our order.
- (2) Any and all order documentation we have provided to the Supplier, in particular samples, models, drawings and cost estimates and similar information of a tangible or intangible nature, including in electronic form, shall remain our property and may not be disclosed to third parties and, in particular, may not be used for competitive purposes. We also reserve the copyrights to these items. The Supplier shall not be entitled to make and retain copies.

Such documentation is to be used only for producing our order and once the order has been fulfilled must be returned to us at the Supplier's expense without our having to request it.
- (3) The Supplier shall be obliged not to disclose any information expressly designated as confidential by us or information whose confidentiality can be inferred from the circumstances to third parties without our express written consent.
- (4) We shall be entitled to terminate the contract at any time. In such cases, we shall be obliged only to compensate the Supplier for the goods delivered/services rendered by it, including the associated imputed profit (pro-rata profit).
- (5) The Supplier shall not be entitled to disclose, as part of its advertising or in any way to other buyers, that it had, has or shall have business ties with us. The Supplier shall be obliged to pay us liquidated damages of € 2,500.00 for every case of wrongful non-compliance.

**3. Prices, payment terms**

- (1) The agreed prices are fixed prices and rule out additional claims of any kind. In the absence of a written agreement to the contrary, the price includes delivery "free domicile", as well as the costs of packaging, transportation to the shipping address we indicated or the point of use, customs clearance and duties. If an "ex works", "ex warehouse" or similar price is agreed, at our request, a freight forwarder designated by us shall be used. The Supplier shall bear all costs incurred up to the point where the goods are handed over to the carrier, including loading and carriage. If no prices are indicated on the order, the Supplier's current price list, including customary trade discounts, shall apply. The type of pricing shall not affect the agreement concerning the place of performance.
- (2) The price does not include the statutory value-added tax.
- (3) If and to the extent we so desire, the Supplier shall be obliged to take back the packaging, collecting it from us at its own expense. The goods must be packaged in such a way as to avoid damage during transport. In exceptional cases we are invoiced separately for the packaging, we shall be entitled to send back to the Supplier, carriage paid, packaging that is in good condition and which the Supplier can re-use, in exchange for a refund of 2/3 of the amount invoiced for the packaging.

- (4) Invoices/credits must be sent to us by mail, in duplicate, and must indicate the underlying shipments. The following must be precisely stated on invoices and credits:

- Star Equipment GmbH supplier number
- Star Equipment GmbH order number
- Star Equipment GmbH item description
- Star Equipment GmbH item number
- Gross and net weight in kg

We shall be entitled to refuse performance until a proper invoice has been submitted, unless the supplier proves to us that it is not responsible for non-compliance with this obligation.

- (5) If the parties have agreed to material test certifications, these shall become an integral part of the delivery and must be sent to us along with the delivery. The payment period shall not begin before these agreed certifications have been received.
- (6) In the absence of a written agreement to the contrary, we shall pay the purchase price within 14 days, calculated from the date of delivery and receipt of the invoice, with a 3% discount, or 30 days net, also calculated from the date of delivery and receipt of the invoice.
- (7) We have the rights of set-off and retention provided by law. The Supplier shall not be entitled to assign its claims against us unless these are monetary claims that are being assigned as part of a commercial transaction.

#### **4. Deliveries, delivery and performance time, default/delay**

- (1) The agreed delivery dates are binding. Partial deliveries shall be allowed only with our approval.
- (2) If circumstances materialise or if the Supplier becomes aware of circumstances that could make it impossible to meet the agreed delivery time, the Supplier must notify us in writing, without delay, giving the reasons and expected duration of the delay.
- (3) In the event of a delay in delivery, we shall be entitled to the statutory claims. In the event of a delay in delivery, we shall be entitled to demand liquidated damages equal to 0.5% of the value of the delivery per full week of delay, not to exceed a total of 5%. We shall be entitled to claim liquidated damages in addition to performance. We shall have a maximum of 10 business days from the date of receipt of the delayed delivery to notify the Supplier that we reserve the right to claim liquidated damages.

The liquidated damages shall be credited against any claim for compensatory damages due to the delay and any claim for compensation for damages caused by non-performance. This shall not affect further claims and rights.

- (4) If the goods are delivered early, we shall be entitled to store these until the agreed delivery date at the Supplier's expense and risk. The same shall apply if we do not need the goods again until a later date due to the delay in delivery.  
If the goods are delivered early, the periods specified in item 3, sub-section 6 of these terms and conditions shall begin running only on the agreed delivery date.
- (5) Force majeure and legitimate industrial actions such as strikes and/or lock-outs shall release us from our contractual obligations for the duty of the disturbance and to the extent we are affected. This shall also apply to other, similarly serious events that are beyond our control. Further, this shall apply if these events occur at a time when we are in default. We shall make reasonable efforts to furnish the necessary information without delay. The parties shall act in good faith to adjust their obligations to the changed circumstances. We shall be released in whole or in part from the obligation to inspect/accept the delivery/service ordered and to that extent entitled to rescind the contract if, considering the economic aspects, the delivery/service is no longer usable by us due to the delay caused by the aforementioned circumstances.

#### **5. Transfer of risk, documents**

- (1) The goods shall be delivered at the expense and risk of the Supplier free domicile to the delivery address indicated by us, which the Supplier must request.  
This is the place of performance for the Supplier's obligations.
- (2) The Supplier and the agents designated by it must first register with the reception desk at the respective delivery address and must always follow the safety and other instructions.
- (3) The shipment shall be at the Supplier's risk. The Supplier shall retain the risk of any deterioration, including accidental loss, until delivery to the address indicated in sub-section 1 and/or to the point of use indicated by us. This shall also apply if the deliveries are made/services are rendered outside of the daily delivery times indicated by us and therefore are not received. The Supplier must request the delivery times.

- (4) The aforementioned conditions shall apply even if we also had to pay the freight costs.
- (5) We shall be deemed to have inspected/accepted the goods if we have provided a delivery receipt slip acknowledging receipt of the goods.
- (6) The Supplier shall be obliged to transfer title to and to hand over any and all documents relating to the goods (completed warranty certificates, test certificates, user manuals, installation instructions, declarations of conformity and operating manuals, etc.) free and without charge upon delivery of the goods. If the aforementioned documents are wholly or partially incomplete, we shall not be obliged to take delivery of the goods. Further, the delivery note must contain the following:
  - Star Equipment GmbH supplier number
  - Star Equipment GmbH order number
  - Star Equipment GmbH item description
  - Star Equipment GmbH item number
  - Gross and net weight in kg

At our request, the Supplier must send the aforementioned documents to us in an electronic format that we can use.

## **6. Liability**

### **6.1 Supplier's liability**

Within the limits of the law, the Supplier shall be liable for any and all damages to us and/or third parties caused by breach of contract or other harmful conduct, unless stipulated otherwise in these terms and conditions.

### **6.2 Our liability**

- (1) In the event of wrongful breach of material contractual obligations, we shall be liable in accordance with legal provisions, whereby in cases of slight or gross negligence, our liability here shall be limited to the foreseeable damage that typically occurs in such cases. Material contractual obligations (primary obligations) are obligations which must be fulfilled in order for the contract to be executed properly and on the fulfilment of which the Supplier regularly relies and indeed may rely.
- (2) If the Supplier asserts legitimate claims for compensatory damages in lieu of performance, we shall be liable in the same way, but our liability shall likewise be limited to compensation for the foreseeable damage that typically occurs in such cases.
- (3) We shall also be liable in accordance with legal provisions if the Supplier asserts legitimate claims for compensatory damages based on wilful misconduct or gross negligence on the part of the owner, his/her legal representatives or vicarious agents.  
However, for non-deliberate acts of infringement, our liability for compensatory damages is limited to compensation for the foreseeable damage that typically occurs in such cases.
- (4) Liability for loss of life, physical injuries or damage to health attributable to a negligent breach of duty on our part or a deliberate or negligent breach of duty by one of our legal representatives or vicarious agents shall remain unaffected.
- (5) To the extent our liability for compensatory damages is barred or restricted, this shall also apply to the personal liability for compensatory damages of our employees, representatives and vicarious agents.
- (6) Unless agreed otherwise above, further claims by the Supplier for compensatory damages shall be barred. This also applies to claims for compensatory damages due to precontractual liability (culpa in contrahendo), other breaches of duty and tortious claims for compensation for damages to property pursuant to article 823 of the BGB.

## **7. Warranty:**

- (1) We shall inspect goods received by us immediately after delivery, to the extent this is feasible in the ordinary course of business based on the type of goods and their intended use. Pursuant to article 377(1) of the German Commercial Code (HGB), the inspection shall be deemed to have been carried out in due time if it is done within five business days of receipt of the goods. A complaint within the meaning of article 377(1) of the HGB shall be deemed to have been submitted in due time if it is received by the Supplier within 5 business days of discovery of the defect; the same applies to hidden defects within the meaning of article 377(3) of the HGB, i.e., within 5 business days of discovery of the defect.  
If, due to the nature and type of the deliveries, the inspections will require more than the indicated 5 business days, our duty to inspect shall be extended accordingly.
- (2) The Supplier shall have unlimited liability for any defects in the goods, in accordance with legal requirements.
- (3) If a reasonable grace period for subsequent performance expires without any action by the Supplier, we shall be

entitled to remedy the defect ourselves and to demand reimbursement of the necessary costs, unless the Supplier had legal grounds for refusing subsequent performance. We also have this right to self-remedy and to reimbursement of expenses in particularly urgent cases or in the event of imminent danger; in these cases, setting a grace period for subsequent performance is not required.

- (4) In place of the two-year statute of limitation specified in article 438(1)(3) of the BGB, a limitation period of 36 months, counting from the date of risk transfer, shall apply. In all other cases, the statutory period of limitation shall apply.
- (5) The warranty period shall once again start running from this date for repaired or newly delivered parts – beyond the statutory suspension of the limitation period.
- (6) If we are sued by one of our buyers of the goods delivered due to the defectiveness of the item delivered by the Supplier, our claims against the Supplier shall become time-barred no sooner than two months after the date on which we have satisfied the buyer's claims. This suspension of expiry of the limitation period shall end no later than five years after the Supplier has delivered the item to us and/or we have taken delivery of the item.

#### **8. Product liability, indemnification, liability insurance cover**

- (1) If we are sued by third parties due to violation of official safety regulations or domestic or foreign product liability regulations or laws because of a defect in the product attributable to the goods delivered by the Supplier, the Supplier shall be obliged to indemnify us against these compensatory damage claims at first request, if and to the extent the cause is found to be within its sphere of control and organisation and it is personally liable to third parties.
- (2) The Supplier must reimburse us for expenditures on measures to defend against the risk of later liability due to a defect in the goods delivered by the Supplier that appear to be necessary, in particular expenditures for a recall. This also applies to all other expenses resulting from and in connection with the Supplier's liability for damage claims within the meaning of sub-section 1. We shall notify the Supplier of the substance and scope of the recall efforts to be carried out - to the extent possible and reasonable - and shall give it the opportunity to state its case.
- (3) This shall not affect other legal claims.
- (4) The Supplier shall be obliged to obtain an appropriate amount of insurance cover against any and all product liability risks, including the risk of a recall, for the duration of this contract, e.g., until expiry of the limitation period for claims based on defects, and upon request to submit the insurance policies to us for inspection. If we are entitled to further compensatory damage claims, these shall remain unaffected.

#### **9. Industrial property rights**

- (1) The Supplier guarantees that no industrial property rights or other third-party rights within the Federal Republic of Germany shall be infringed in connection with or through the delivery or use of the goods delivered.  
  
To the extent the Supplier is aware that we shall also sell its products in other countries, the above provisions shall also apply to those countries.
- (2) The Supplier shall indemnify us and our customers against such claims upon first written request. The same shall apply to other costs incurred by us in this regard.
- (3) Without the Supplier's consent, we shall not enter into any agreements with the third party, and in particular shall not enter into any settlement.
- (4) Applying the due diligence of a prudent businessman, we shall be entitled to obtain approval to use the delivered goods in question and the services from the rights holders at the Supplier's expense.
- (5) The limitation period for all aforementioned claims is 10 years, beginning with the signing date of the respective contract.

#### **10. Employee Protection Law**

The Supplier ensures compliance with any and all employee protection laws, also the minimum wage law introduced by now.

#### **11. Environmental Protection**

The supplier assures environmental awareness, compliance with applicable environmental regulations, environmentally safe waste disposal and careful use of resources.  
We are required to select our suppliers, for energy-related services according to DIN EN ISO 50001: 2011, 4.5.7 standard.

## **12. Retention of title, provision, tools, confidentiality**

- (1) If and to the extent we provide materials to the Supplier, we shall retain title to them. Any processing or alterations done by the Supplier shall be done on our behalf.  
If the goods subject to retention of title are processed or altered in combination with other items not belonging to us, we shall acquire co-ownership in the new item equal to the ratio of the value of our item (purchase price plus value-added tax) to the other items created by processing or altering on the date when the processing or alteration takes place.
- (2) If the items provided by us are inseparably blended with or connected to other items not belonging to us, we shall acquire co-ownership in the new item equal to the ratio of the value of the item subject to retention of title (purchase price plus value-added tax) to the other items created by blending or combining on the date when these events take place. If the blending or connecting is done in such a way that the Supplier's item is the main component, the parties shall be deemed to have agreed that the Supplier shall transfer proportional co-ownership to us. This proportion is calculated as the ratio of the value of the items subject to retention of title (purchase price plus value-added tax) to the other items on the date of the aforementioned events. The Supplier shall hold the sole or co-ownership thus created in safe custody for us.
- (3) We also reserve title to systems, tools and equipment. The Supplier may use these items exclusively to manufacture the goods we have ordered. It shall be obliged, at its own expense, to insure these items belonging to us at replacement value against theft, breakage, fire, water and other damages. The Supplier hereby assigns to us any and all claims against the insurer under the aforementioned loss events; we hereby accept the assignment. Further, the Supplier shall be obliged to carry out any required maintenance and inspection work and any and all upkeep and repair work on our systems, tools and equipment in a timely manner and at its own expense. The Supplier must notify us immediately of any malfunctions; if it wrongfully fails to do so, compensatory damage claims shall remain unaffected.
- (4) The Supplier must observe strict confidentiality regarding all illustrations, drawings, calculations and other documents and information received. These may be disclosed to third parties only with our express consent.  
  
This duty of confidentiality shall apply even after this contract has been executed. It shall expire if and to the extent the manufacturing expertise contained in the illustrations, drawings, calculations and other documents provided has become part of the public domain.
- (5) To the extent the security interests to which we are entitled under sub-section 1 and/or sub-section 2 exceed the purchase price of all of our not yet paid for goods to which we retain title by more than 10%, we shall be obliged, at the Supplier's request, to release the corresponding portion of the security interests, at our discretion.

## **13. Final provisions, such as "place of performance", "legal venue", etc.**

- (1) In business dealings with business people, legal entities or funds under set up under public law, the place of performance and legal venue for any and all rights and obligations arising under and in connection with the contractual relationship shall be the city where our registered office is located. However, we shall also be entitled to bring suit against the Supplier in the place where its head office is located.
- (2) All legal relationships between us and the Supplier shall be governed exclusively by the prevailing laws of the Federal Republic of Germany, as applicable to legal relationships between domestic parties.
- (3) If for any reason any provision in these terms and conditions should in general or in an individual instance be or become invalid, this shall not affect the validity of the remaining provisions of these terms and conditions. In this case, dispositive law shall apply. If and to the extent dispositive law does not cover this particular type of contract or provides no alternative solution for the general terms and conditions clause deemed invalid, the parties shall replace the invalid provision or the provision which has become invalid with a provision that comes as close as possible to achieving the parties' originally intended economic effect whilst being legally valid.
- (4) The Supplier agrees that we and our affiliated companies may store and use the Supplier's contact information, including names, telephone numbers and e-mail addresses. All information may be processed and used within the scope of the existing business relationship and passed on to our subcontractors and authorised representatives as well as to our affiliated companies for the purpose of joint business activities, including communicating with the Supplier (e.g., to process orders, etc.).

In case of inconsistencies between the German and English version of these Terms and Conditions only the German version shall apply and be legally binding.