

1 . GENERAL

Only the following conditions shall apply for all deliveries. Any deviating agreements are only valid if they are confirmed by us in writing. Delivery conditions of supplier do not bind us, even if we do not expressly exclude them. The acceptance of supplies or services or payment shall not constitute consent to the sales conditions of the supplier. If and to the extent any provision of these purchase conditions be invalid for any reason, the validity of the remaining provisions shall not be affected.

2 . ORDER, ORDER CONFIRMATION

Only frame contracts, framework agreements, or orders issued in writing or confirmed by us in writing are legally binding. Verbal or telephone agreements only bind us if they are subsequently confirmed by us in writing. Orders issued by us in writing shall be deemed accepted by the supplier, unless he sends a different confirmation within two working days.

3. DELIVERY, ACCEPTANCE, DATES AND DEADLINES

The timeliness of deliveries depends on the receipt at the delivery address specified by the purchaser. Acceptance shall be subject to inspection for correctness and suitability. In case of a predictable delay in service or delivery, the supplier must notify and seek a decision from the purchaser / planner (mentioned on the purchase order) immediately, inform the reason of delay and the expected duration. No matter why the delay occurred, it is the right of the buyer / planner to withdraw from the agreement without any grace period. The acceptance of a delayed delivery or service does not imply waiver of claims for damages. Over- or short deliveries of the ordered quantities or the amount can be accepted in exceptional cases only up to a total of +/-10 %. If the supplier is in default due to reasons attributable to his fault, we have the right to ask for a penalty of 0.5% for each commenced week of delay, up to a maximum of 5% of the order value. In addition we reserve the right for compensation claims beyond this. If a penalty incurred, we have the right to offset against the final invoice. Industrial disputes and cases of force majeure release us from the obligation to accept the goods ordered and entitle us to cancel the contract.

4. PRICE, DELIVERY, TRANSFER OF RISK

If not otherwise agreed, the prices are delivered free at our

reception site (Inco term DDP), including packaging and customs clearance. The mode of transport is to be coordinated with us. Goods shall be properly and carefully packaged, suitable for the selected means of transport, but especially to be handled in accordance with our rules. Any loss or damage resulting from the non-compliance of such instructions shall be borne by the supplier. The transfer of risk is at the delivery address specified by us. Without appropriate shipping documents, delivery will not be accepted as order fulfillment, or further treated, but stored at the risk and expense of the supplier. Goods acceptance is only possible on weekdays, Monday to Friday 7:00 to 11:30 o'clock and 12.00 to 15.00 o'clock. If and when performance based services are to be provided, the risk is only transferred to us after approval and acceptance.

5. INVOICE, PAYMENT

Invoices shall be sent to the designated address in our order, quoting the order number and must include all information necessary to verify the invoice. Payments shall be made, unless otherwise agreed, within 14 days less 3% discount, or within 30 days with a 2% discount, or net within 90 days. The payment period begins after the delivery or service has been rendered and the invoice according to our ordering data properly issued is received. Deductions are also permitted if the buyer sets off or withholds payments to a reasonable level due to defects. Payments do not constitute acceptance of the goods or services conform to the contract and therefore do not constitute a waiver of claims due to us from claims of compliance deficiencies because of warranty or damages.

6. ASSIGNMENT CLAUSE

All the supplier's claims against us may not be sold or passed to third parties.

7. INSOLVENCY

We are entitled to withdraw from the contract if the assets of the supplier's insolvency proceedings are initiated and not made a going concern. This right is due to us, even if the contract with the supplier has already been partially fulfilled. The supplies or services provided at the time of withdrawal, if they may be used by us, will be paid on a pro rata basis.

8. WARRANTY AND GUARANTEE

The supplier warrants 24 months to the extent the goods and services are ordered for us as the final customer and for 24 months so far as the goods and services - with or without processing or in combination - are intended for resale. The warranty period begins with the transfer of risk. The supplier shall be liable for defects for the duration of the warranty period in the way that we are, without prejudice to our other legal remedies, be entitled to claim a free replacement, free removal of defects, or an appropriate price reduction of our choice. In case the usual level of incoming quality control is increased to higher level of overall quality control due to faulty deliveries, the Supplier shall bear the costs (¥54.00/hour). In urgent cases (e.g. to avoid production interruptions, or to avoid damages) we are entitled to remedy the defects found ourselves at the cost of the supplier (¥54.00/hour). The Supplier shall bear the cost and risk of returning the defective items delivered. The abovementioned rights shall expire one year from the notification of the defect. In the event of a defect, the warranty period renews, with the start of the warranty period from the time the defect is remedied. The Supplier shall be responsible for the absence of defects of goods or services, for the existence of guaranteed properties and ensure that the goods or services correspond to the intended use and the state of the art. He also ensures compliance with the generally accepted technical and occupational health safety regulations of authorities and professional associations as well as the consideration of the applicable environmental regulations.

9. COMPLIANCE WITH LAW & REGULATORY PROVISIONS

The Supplier warrants that all the procured products and materials that are used in the product meet the applicable statutory and regulatory requirements. The supplies must comply with the European Union Directive 2011/65/EU on the restricting of the use of hazardous substances in electrical and electronic equipment ("RoHS"), and Article 59, Section 1 and Article 33 of Regulation (EC) No 1907/2006 shall be carried ("REACH").

10. PRODUCT LIABILITY

The Supplier shall indemnify us against any claims that may be asserted against us, if persons or property are harmed or damaged caused by our deliveries, which is due to a fault of the supplier in

design, production, or to a violation of his control, instruction or product monitoring obligations.

11. QUALITY ASSURANCE

Sample deliveries are to be identified as such and measurement and test reports must be provided with the delivery. Serial deliveries must only be started if and when the samples made of the final tools or batches and in the final version have been approved by us in writing. Ongoing deliveries must always match these patterns and evaluations. We must be pre-notified of any planned changes to the design, material, or manufacturing process and such changes must only be made in consultation with us. Our respective drawings, applicable test requirements, technical delivery conditions, and agreed AQL or PPM values are part of the contract and will be provided to us on request.

12. PROVISION

Materials or parts provided by us shall remain our property. They may only be used as intended. The processing of those materials or the assembly of those parts is made exclusively for us. It is understood that we are co-owners of the manufactured products using our materials and parts in the product ratio of the value of the supplies to the value of total product, which is so far preserved by the supplier for us.

13. TOOLS, FORMS, MODELS, ETC.

Tools, molds, patterns, models, profiles, drawings, test specifications, standard sheets, templates, gauges, etc., provided by us as well as products manufactured with or according to these, must not be given to third parties nor used for other than the contractual purposes without our written consent. They must be secured against unauthorized access and usage (see tool-ownership contracts). Subject to any further rights we can demand their surrender.

14. PATENTS, DESIGN REGISTRATION, COPYRIGHT

The supplier shall hold us harmless and indemnify us against any disputes resulting from his delivery and/or service with regards to patents, trademarks, or copyright and to ensure us the full use of the delivered goods and/or services provided. He shall indemnify us against any claims that may be asserted against us or our customers for infringement of an intellectual property right related

to his delivery.

15. CODE OF CONDUCT

The Supplier acknowledges the international Social Accountability Standard SA8000 (www.sa-intl.org) and the BSCI Code of Conduct (www.bsci-eu.org) and commits to notify us immediately of any violations of the Code or the model by its employees, our employees, or his subcontractors. The supplier also undertakes to demand compliance with the standards from his suppliers. The noncompliance with the code or model by the supplier shall entitle us to terminate the business relationship with the supplier.

16. CONFLICT MINERALS

Affirming Supplier Responsibility we expect suppliers to abide compliance program in accordance with Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act and its regulations (CMRT). The supplier is required to conduct due diligence on the use of Conflict Minerals in his supply chain and to make annual disclosures.

17. SPARE PARTS FOR END OF SERIES NEEDS

The Supplier undertakes to ensure the supply of spare parts for a reasonable period of time after series production, as specified by us (10 years), on the basis of these Conditions of Purchase in the form required by us. A change of the last existing condition and prices is subject to our consent, which will not be granted if the requested changes are inappropriate. Spare parts can be supplied from current production only with our consent. Such consent shall be granted only if the final cover is economically reasonable, or the supplier can prove that successor parts meet our requirements.

18. PERFORMANCE, JURISDICTION, APPLICABLE LAW

The place of performance for all contractual obligations is said receiving location. Jurisdiction is exclusively competent for our registered place of business. The contract is subject to Chinese law. The occurrence of disputes shall not entitle the supplier to withhold or discontinue due deliveries and/or services. The supplier has to ensure that the required supplies or services are guaranteed. Any dispute arising from or in connection with the conditions of purchase shall be submitted to the Shanghai International Economic and Trade Arbitration Commission for

arbitration in accordance with the effective institutional rules. The arbitration tribunal shall consist of three arbitrators. The arbitration language is Chinese. The arbitral award shall be deemed as the final decision and binding on both parties.