

## **Purchase Conditions**

### **AST (Advanced Sensors Technologies) International GmbH**

#### **1. General - Scope of Application**

- 1.1 Orders from AST (Advanced Sensors Technologies) International GmbH (hereinafter "AST") are made exclusively on the basis of the following Purchase Conditions (hereinafter "Purchase Conditions"). Conflicting, deviating or general terms and conditions of the Supplier, which are not specified in these Purchasing Conditions, are not recognized by AST, unless AST has expressly agreed to their validity in writing. This also applies if AST unconditionally accepts the deliveries and services in the knowledge of conflicting, deviating conditions or conditions of the Supplier not specified in these Purchasing Conditions, or if the Supplier refers in his offer, in his order confirmation or applies otherwise in connection with the execution of the contract to the validity of its Terms and Conditions and AST does not explicitly object to inclusion again.
- 1.2 The purchasing conditions shall also apply to all future contracts with the Supplier, without AST being obliged to separately point out this fact.
- 1.3 The Purchase Conditions shall apply only to an entrepreneur within the meaning of § 14 BGB.

#### **2. Offer - Order - Order Documents**

- 2.1 The Supplier must comply with the request of AST. The Supplier must expressly notify AST in writing of any deviations from the offer, especially if the Supplier cannot fulfil the request of AST in one or more points.
- 2.2 The Supplier is obliged to immediately confirm the order of AST in writing, stating the order number. The Supplier must expressly point out any deviations from the order to AST in his confirmation letter.
- 2.3 If the Supplier provides AST with illustrations, drawings, calculations or other product-, application- or project-related documents, AST is entitled to reproduce these documents and make them available to third parties.
- 2.4 Unless otherwise agreed, all documents, plans, illustrations, calculations, drafts, etc. (hereinafter "Order Documents") that AST makes available to the Supplier remain the property of AST and are subject to the copyright of AST. The Supplier may only use the Order Documents within the scope of the contract fulfilment. The Supplier undertakes not to hand over the Order Documents to third parties without the prior written consent of AST, not to reproduce them and to keep the Order Documents secret from third parties.

#### **3. Prices - Payment Conditions**

- 3.1 All agreed prices are fixed prices - without the sales tax to be calculated separately - and, unless expressly agreed otherwise, are not subject to any subsequent changes.

- 3.2 The prices include the costs for shipping, transport insurance and packaging and their disposal - within the framework of the statutory regulations -, unless expressly agreed otherwise.
- 3.3 If the amount of the price is not determined, the usual prices apply, at most the prices last paid by AST for the purchase of the same quantities and services.
- 3.4 Unless expressly agreed otherwise, invoices are paid within fourteen days with a 3% discount on the gross invoice amount. The payment period begins with the receipt of a proper and comprehensible invoice, but not before receipt of the delivery or service. For invoices without a discount, AST pays net within 30 days.
- The deduction of agreed discounts is also possible if AST offsets or is entitled to withhold payments due to material or legal defects.
- 3.5 All payments are made subject to correction or recovery in the event that the calculation subsequently becomes incorrect or objections should subsequently arise. Payments mean neither acceptance (*Abnahme*) nor acknowledgement of a proper delivery or service as in accordance with the contract.

#### **4. Delivery Time - Default - Partial Services**

- 4.1 Unless otherwise agreed, the delivery is made DDP (according to current Incoterms) according to the delivery location specified in the order from AST, or, if no delivery location is specified in the order, DDP Bärenthal 26, 75365 Calw, Germany.
- 4.2 Deliveries must be made (a) on the delivery date specified in the order, (b) an otherwise agreed delivery date or (c) according to the delivery schedule of AST. Specified or agreed delivery dates are binding. Delivery day is the day of goods receipt at AST or at the delivery address designated by AST, for services the day of acceptance. Deliveries before or after the delivery date are only permitted with the written consent of AST.
- 4.3 As soon as the Supplier realizes that the Supplier cannot perform the deliveries and services in full or in part in good time, the Supplier must inform AST immediately, stating the reasons and the probable duration of the delay, even if the Supplier is not responsible for this. Neither the notification nor a silence on the part of AST constitutes acknowledgement of a new appointment or affects the right of AST to assert any rights and claims.
- 4.4 If the Supplier is in default, AST is entitled to a flat rate default damage amounting to 0.1% of the value of the deliveries and/or services with which the Supplier is in default for each started day after the occurrence of default, but in total no more than 5% of the stated value. Both Parties are entitled to prove that higher, lower or no damage has occurred.
- 4.5 Partial deliveries or partial services are only permitted with the express prior written consent of AST. If AST accepts a partial service or delivery or a late delivery or service, this does not constitute a waiver of any claims
- 4.6 AST does not agree with any liability exemptions, liability limitations and liability restrictions of any kind of the Supplier in the event of default.

## **5. Transport - Packaging - Transfer of Risk**

- 5.1 The Supplier is obliged to clearly state the order number of AST and the content of the shipment on all shipping documents and delivery notes.
- 5.2 Deliveries must be made freight- and packaging-free to the AST plant or to the other destination specified by AST, unless expressly agreed otherwise.
- 5.3 The Supplier is obliged to properly pack and send it. In any case, the Supplier must pack and send the products in such a way that damage to the products is excluded.  
The choice of the suitable carrier is the responsibility of the Supplier.
- 5.4 The risk of accidental loss and accidental deterioration of the products, in particular loss or damage to the products during transport, only passes to AST upon delivery of the products at the place of receipt at the agreed shipping address.

## **6. Quality Standards - Claims for Defects**

- 6.1 All deliveries and services must comply with the statutory provisions and regulations applicable at the time of the deliveries and services, the relevant guidelines from authorities, professional associations and trade associations, the generally recognized rules and other regulations that reflect the latest technology at the time of delivery and service, correspond and be suitable for the intended use or further processing insofar as this is known to the Supplier or is evident from the circumstances. In cases of doubt, the Supplier must inquire about the intended use or the type of further processing.
- 6.2 In case of deliveries and services Supplier has strictly comply with the drawings, plans, other specifications, performance documents and the stipulations in Section 6.1. Such order documents take precedence over the industry standards that are otherwise applicable.
- 6.3 The Supplier may only make changes in the execution or quality of the deliveries and services compared to the agreements made or with respect to previous deliveries and services if there is a previous sampling and a prior written approval by AST.
- 6.4 If the customer of AST requests the introduction, creation and management of material data sheets, as well as other product or manufacturing evidence from AST, the Supplier undertakes to comply with this request in relation to the products to be supplied and the Supplier has also to provide AST with all information, data and documents that AST needs to meet customer expectations.
- 6.5 Claims for defects become statute-barred three years after the transfer of risk, unless (a) the mandatory provision of §§ 445b, 478 (2) BGB applies, (b) that a longer statute of limitations is provided by law, or, (c) that the customer and AST have agreed a longer limitation period.
- 6.6 Any limitation of legal claims of AST for defects is inadmissible and ineffective.

6.7 In the case of purchase and work supply contracts (*Werklieferungsverträge*), AST may request - after choice of AST - subsequent improvement of the defect or subsequent delivery of defect-free products within a reasonable period. In urgent cases (if the Supplier is in default with the supplementary performance of a defect or if AST is at risk of unusually high damage), AST - even if Sales Contract Law (*Kaufvertragsrecht*) applies - is entitled to remedy defects itself at the expense and risk of the Supplier or through third parties. If Sales Contract Law (*Kaufvertragsrecht*) applies, however, this does not apply if the Supplier is not responsible for the defect.

In these cases, the Supplier must reimburse AST for the necessary costs and expenses.

6.8 In particular, the Supplier must bear all costs and expenses incurred in connection with the detection and rectification of defects, including those incurred by AST, in particular examination, removal and reinstallation, labour, material, transport and other costs at subsequent delivery and subsequent improvement. This also applies if the expenses increase due to the fact that the delivery item has been moved to a location other than the place of performance, but not if disproportionate costs arise. The type of supplementary performance chosen by AST and the supplementary performance as such may not be refused on the grounds that this is only possible with disproportionate costs, provided that the costs of the (selected) supplementary performance do not exceed the original purchase price of the defective goods by more than three times .

6.9 AST does not agree to a limitation of the statutory claims for damages, neither with regard to the level of fault, nor with regard to the scope of liability and the amount of liability.

6.10 In addition, the statutory provisions on the delivery of defective products apply. To this extent, any further claims of AST due to the delivery of defective products remain unaffected.

6.11 The mandatory provisions of the delivery recourse (*Lieferantenregress*) remain unaffected.

## **7. Incoming Goods Inspection - Notification of Defects**

7.1 The Supplier must deliver the goods 100% inspected.

7.2 In deviation from § 377 HGB, AST only inspect after receipt of the deliveries whether they correspond to (a) the ordered quantity (number of pieces) and (b) the ordered type (identity), as well as whether (c) there is any externally recognizable transport damage. In this respect, the Supplier waives all further statutory requirements (in particular according to § 377 HGB) for the incoming goods inspection.

7.3 AST is entitled to inspect the type and implementation of the quality inspection at Supplier's location during Supplier's normal business hours after prior notice.

7.4 If AST detects defects in a delivery by means of a random check, AST is entitled, at AST's option, to reject the entire delivery without further examination or to carry out a further examination or to have it carried out by third parties. The Supplier bears all costs of the further investigation.

7.5 The notice period for defects is at least 10 working days. In the case of obvious defects, the notice period begins with the delivery, and in the case of non-obvious defects with the discovery of the defect.

## **8. Limitation of Liability - Product Liability - Indemnification - Liability Insurance Protection**

- 8.1 The Supplier is liable to AST - for whatever legal reason - without restriction in accordance with the statutory provisions and these Purchase Conditions. AST contradicts any limitation of the legal and contractual claims of AST (in particular from default, defects and product liability) both with regard to the level of fault and with regard to the scope of liability and the amount of liability
- 8.2 The Supplier is obliged to indemnify AST from any costs and claims of third parties, insofar as the error or defect that leads to the liability is due to a product delivered by the Supplier or to a service provided by the Supplier.
- 8.3 The Supplier may not object to the exemption obligation according to Section 8.2 the objection to the preliminary claim, nor a right of retention, nor the objection that the claim to be exempt does not exist (exemption on first request).
- 8.4 The Supplier undertakes to maintain product liability insurance with an annual coverage sum of at least € 5 million per person/property and property damage - as a lump sum. Upon request, the Supplier must provide AST with proof of this immediately. Any further claims of AST remain unaffected.

## **9. Rights and Property Rights of Third Parties - Indemnification**

- 9.1 The Supplier guarantees that his deliveries and services are free of third party rights, in particular free of third party claims with regard to the product in question, the materials used or the processes used. Third party rights in this meaning include property, patents, copyrights, trademarks, utility models and designs.
- 9.2 The obligation according to Section 9.1 applies to all markets worldwide.
- 9.3 If AST is claimed by third parties due to such a violation of third party rights, the Supplier is obliged to indemnify AST from these alleged or actual claims, unless the Supplier is not responsible for the violation. If the Supplier must indemnify AST in accordance with sentence 1 of this Section 9.3 the Supplier also must reimburse AST for all damages as well as the necessary costs and expenses that have arisen from or in connection with the claim by the third party.
- 9.4 The Supplier may not raise to the obligation to indemnify according to Section 9.3 the objection to the preliminary action, the right of retention or the objection that the claim to indemnify does not exist (indemnification on first request).
- 9.5 The limitation period for claims in accordance with this Section 9 is three years from the transfer of risk.

## **10. Retention of Title - Tools - Provisions**

- 10.1 The Supplier's retention of title shall only be accepted by AST in the form of a simple reservation of title (reservation of ownership by the Supplier until the respective deliveries concerned have been paid for). AST does not agree with all other forms of retention of title - in particular with extended or extended retention of title - and other security interests.

- 10.2.1 Tools, models, matrices, templates or other samples (hereinafter "Tools") that AST makes available to the Supplier for the execution of an order or contract remain the property of AST and are only loaned to the Supplier.
- 10.2.2 The following provisions of this Section 10.2 shall apply accordingly to Tools that the Supplier manufactures or has manufactured for the production of parts destined for AST and whose manufacturing costs are borne entirely or predominantly by AST. The Supplier and AST are already in agreement that ownership of these Tools is transferred to AST, provided that AST has paid the manufacturing costs to the Supplier as agreed.
- 10.2.3 The Supplier may only use the Tools for the execution of the order or contract; he has to keep the Tools in a usable condition at his own expense, in particular to maintain them properly and professionally and to insure them against fire, water and theft at their new value at his own expense. The Supplier undertakes not to hand over the Tools to third parties for inspection or other purposes without the prior written consent of AST. Furthermore, the Supplier undertakes not to hand over the products manufactured with the Tools either in their raw state or as semi-finished or finished products without the prior written consent of AST. The same applies to products that the Supplier has developed according to the specification of AST or with the substantial participation of AST (through tests etc.).
- 10.2.4 The Supplier must return the Tools to AST without being asked (a) after fulfilling his contractual obligations, (b) if no contract is concluded, or (c) if the contractual relationship is terminated prematurely. Furthermore, the Supplier must immediately return the Tools to AST upon request from AST if AST has a justifiable reason for doing so.
- 10.3.1 If AST provides the Supplier with products, raw materials or other material (hereinafter collectively "Provisions") for the manufacture of products, AST retains ownership of these Provisions.
- 10.3.2 The processing, conversion, installation and reshaping of such Supplies by the Supplier is carried out for AST. If the reserved Supplies are processed together with other items that are not owned by AST, AST acquires co-ownership of the new product in the ratio of the value of the Supplies of AST (purchase price plus VAT) to the other processed items at the time of processing. If the Supplies are inseparably connected or mixed with other objects that are not owned by AST, AST acquires co-ownership of the new product in proportion to the value of the Supplies (purchase price plus VAT) to the other connected or mixed objects at the time of combination or mixing. If the connection or mixing takes place in such a way that the objects of the Supplier are to be regarded as the main thing, it is agreed that the Supplier transfers the co-ownership to AST on a pro rata basis; the Supplier stores AST's sole property or co-ownership in the name and on behalf of AST.

## **11. Transfer of Orders**

The Supplier must inform AST in writing if he intends to involve third parties or subcontractors in the context of an order. The transfer of contracts to third parties to fulfil the existing obligations towards AST is not permitted without the written consent of AST.

## **12. Assignment - Set-Off - Retention**

- 12.1 Claims against AST can only be effectively assigned with the prior written consent of AST or collected by third parties. § 354a HGB remains unaffected.
- 12.2 The Supplier can only offset against AST's claims if its claims are undisputed, legally established, recognized by AST or have a close synallagmatic relationship to AST's claim.
- 12.3 AST does not agree with a limitation of the statutory offsetting options and the assertion of rights of retention.

## **13. Compliance with Laws**

- 13.1 The Supplier warrants that during and in the execution of a contract or an order the Supplier complies with the applicable laws, ordinances and other legal provisions and commercial customs that apply to the division of the Supplier, in particular with regard to the development, manufacture, sale, transport, export, certification of its products. This applies in particular to the statutory regulations on the safety-related and environmentally-related execution and processes of technical products, the generally recognized rules of technology and the other regulations that reflect the state of the art at the time of deliveries and services.
- 13.2 At AST's request, the Supplier will confirm compliance with the legal requirements, laws, etc. in writing. The Supplier will compensate AST for all damage, costs and expenses resulting from the Supplier's non-compliance with the above regulations and will indemnify AST against any third party claims made against AST in this connection. The regulation of Section 13.2 Sentence 2 does not apply if the Supplier is not responsible for the breach of duty.
- 13.3 The Supplier may not raise to the obligation to indemnify according to Section 13.2 the objection to the preliminary action, the right of retention or the objection that the claim to indemnify does not exist (indemnification on first request).

## **14. Export Control - Customs - Declarations of Origin of Goods**

- 14.1 The Supplier is obliged to inform AST in its business documents of any authorization requirements for (re)exports of its goods in accordance with German, European, US export and customs regulations as well as the export and customs regulations of the country of origin of its goods. To this end, the Supplier provides the following information at least in his offers, order confirmations and invoices for the goods in question:
- the export list number in accordance with Annex AL to the German Foreign Trade Ordinance or comparable list items of relevant export lists,
  - for US goods, the ECCN (Export Control Classification Number) according to US Export Administration Regulations (EAR),
  - the commercial origin of its goods and the components of its goods, including technology and software,
  - whether the goods were transported through the USA, manufactured or stored in the USA, or manufactured using US technology,
  - the statistical goods number (HS code) of its goods, as well
  - a contact person in his company to clarify any queries from AST.

- 14.2 On request, the Supplier is obliged to notify AST in writing of all other foreign trade data relating to its goods and their components and to inform AST in writing immediately (before the delivery of the relevant goods concerned) of any changes to the above data.
- 14.3 The Supplier undertakes to issue a supplier declaration in accordance with VO (EG) No. 1207/2001 about the origin of the delivered products. This also applies to newly added items during the period of validity of the supplier's declaration. The Supplier is liable for all disadvantages that AST incurs due to a culpable improper or late submission of the supplier's declaration. If necessary, the Supplier must provide proof of his information on the origin of the goods by means of an information sheet confirmed by his customs office.
- 14.4 If the legal requirements for submitting a supplier declaration do not apply, the Supplier will inform AST and provide a corresponding reason.

## **15. Brexit Regulation**

If a change in applicable law due to the UK's withdrawal from the European Union (Brexit) leads to an increase in the costs of a contract with the Supplier and/or to additional taxes, duties, etc., then only the Supplier has to bear these costs, taxes, duties, etc. The Parties agree that due to such an increase in the cost of the contract or due to such additional taxes, duties, etc., the Supplier should not have the right to terminate and adjust the contract.

## **16. Place of Performance - Place of Jurisdiction - Applicable Law**

- 16.1 Place of performance for all deliveries and services shall be 75365 Calw, Germany.
- 16.2 It is agreed that (a) place of jurisdiction for legal actions falling within the jurisdiction as regards the subject matter of the Amtsgerichte (local courts) shall be the Amtsgericht Calw, Germany and (b) place of jurisdiction for legal actions falling within the jurisdiction as regards the subject matter of the Landgerichte (regional courts) shall be the Landgericht Stuttgart, Germany.
- 16.3 German Law applies exclusively, to the exclusion of the conflict of law provisions and the Vienna UN Convention on Contracts for the International Sale of Goods (CISG).