

# Purchasing Terms and Conditions of Global Innovations Germany GmbH & Co.KG

The following terms and conditions apply to orders that Global Innovations Germany GmbH & Co.KG (hereinafter, the "Customer") places with suppliers and service providers (hereinafter, the "Supplier"):

## 1. General – Scope

- 1.1 These Purchasing Terms and Conditions apply exclusively. The Customer does not acknowledge terms and conditions of the Supplier that conflict with, deviate from, or supplement these Purchasing Terms and Conditions, unless the Customer has expressly approved their validity. These Purchasing Terms and Conditions are also applicable where the Customer accepts the Supplier's delivery without reservation despite being aware that the Supplier's terms and conditions conflict with or deviate from these Purchasing Terms and Conditions.
- 1.2 These Purchasing Terms and Conditions are applicable only to entrepreneurs within the meaning of section 14 of the German Civil Code (*Bürgerliches Gesetzbuch*, BGB).
- 1.3 These Purchasing Terms and Conditions, in their current version, are also applicable to all future transactions with the Supplier. These Purchasing Terms and Conditions may be viewed at <http://www.globalinnovations.de>.

## 2. Orders

The contract between the Customer and the Supplier comes into effect when the Supplier sends the Customer an explicit order confirmation within five days of receiving an explicit order from the Customer. For the purposes of meeting the deadline, the Customer must have received the order confirmation by the aforementioned deadline. If the Customer does not receive the order confirmation by the aforementioned deadline, it is no longer bound by its order. When making corresponding declarations in offers or acceptances, the Supplier may not rely on an omitted order confirmation.

## 3. Over- and under-deliveries

Over- or under-deliveries are permissible only after prior express approval by the Customer.

## 4. Delivery dates / default in delivery

- 4.1 The Supplier is obligated to comply precisely with the agreed delivery period. Delivery dates specified in the order constitute fixed, binding dates.

- 4.2 If delivery is not made by the deadline, the Customer is entitled to the statutory rights without limitation. The controlling date for compliance with the deadline is when the goods are received at the Customer's location or, if a different place of performance is specified in the order, at such location.
  - 4.3 The Customer is entitled to the aforementioned rights also where a partial delivery is not made on time.
  - 4.4 The Supplier is obligated to promptly notify the Customer in writing if circumstances arise or become apparent to the Supplier that indicate or may indicate that the agreed delivery dates cannot be met or are in jeopardy.
  - 4.5 The Supplier is entitled to make partial deliveries or to provide partial services only after prior express approval by the Customer.
  - 4.6 Signing a delivery note does not constitute acknowledgement that the delivered goods are in conformity with the contract. Even where it accepts a delivery and signs a delivery note, the Customer hereby reserves the right to demand a contractual penalty for improper performance (section 341 BGB) that may have been agreed upon.
5. Processing of the delivery, packaging
    - 5.1 The Supplier may award subcontracts only with the Customer's express approval, unless this concerns merely the procurement of parts that are customary on the market. Any call-off deliveries are binding with respect to the type and amount of the called-off goods, as well as the delivery period.
    - 5.2 A delivery note must be attached to every delivery, indicating the Customer's order number and a description of the contents in terms of type and amount. In this regard, the delivery note provided by the Customer must be used in every case. If direct shipment to the Customer's customer has been agreed upon, then all shipping documents must be drafted in a strictly neutral manner and, in particular, may not contain any pricing information, item numbers, or other indications enabling the Supplier to be identified.
    - 5.3 Goods are normally to be delivered in standard, non-returnable packaging that is customary in the trade. If returnable packaging is used, the Supplier must provide the packaging on loan. Returnable packaging is shipped back at the Supplier's risk and expense. If by way of exception, the Customer expressly agrees to assume packaging costs, it is to be charged the Supplier's demonstrable cost. The Supplier must properly report all fees paid to disposal companies (including to EAR for electronic scrap, to Duales System for packaging, and to GEMA for USB sticks). The Supplier must indemnify the Customer against any claims by third parties related thereto.
    - 5.4 Deliveries of devices must include a technical description and an instruction manual in accordance with European standards. In the case of software products, the delivery obligation is met only after complete documentation (technical and user)

has been provided. In the case of programs created specifically for the Customer, the program must also be delivered in the source format.

5.5 If the Supplier makes deliveries or provides services on the Customer's premises, it must comply with visitor instructions regarding safety, environmental protection, and fire protection, in their current versions.

## 6. Transfer of risk and retention of title

6.1 Irrespective of the agreed price terms, risk first passes to the Customer, in the case of delivery without set-up or assembly, upon receipt at the delivery address specified by the Customer or, in the case of delivery with set-up or assembly, with successful completion of the inspection and acceptance procedure by the Customer. Initial operation or use is not a substitute for the declaration of acceptance.

6.2 Title to the delivered goods vests in the Customer after payment for the components and/or in accordance with statutory provisions concerning installation/intermixture. Any form of extended or expanded retention of title is precluded.

## 7. Warranty, duties to inspect and object

7.1 The obligation to inspect and object commences when the goods are received by the Customer. The Customer must inspect the goods within seven days. A spot-check examination is sufficient. Any defects must be objected to within seven days of discovery. If the goods are delivered directly to the Customer's customer, section 377 of the German Commercial Code (*Handelsgesetzbuch*, HGB) is waived.

7.2 The costs for returning goods that have been objected to are for the account of the Supplier. In this regard, the necessary packaging is billed at the Customer's cost.

7.3 If for reasons for which it is responsible, the Supplier fails to meet its duty to provide a replacement delivery by the deadline specified by the Customer, the Customer is entitled to procure replacement elsewhere at the Supplier's expense. The Customer is also entitled to do so without specifying a deadline if the Supplier definitively refuses to provide the replacement delivery or the Customer cannot reasonably be expected to accept same for other reasons. Notwithstanding any agreement on longer prescription periods, the statutory prescription periods for warranties are applicable in full.

## 8. Payment, discounts for prompt payment, assignment, and set-off

8.1 All invoices must be sent to the Customer immediately after performance is rendered and contain precise information. If the Customer pays with an accepted bill of exchange or documents of its customer, it reimburses the true discount fees.

- 8.2 Payment due dates begin to run on the date that the invoice is received. If the ordered object or the documents forming part of the order are not received until after the invoice, the payment due date first begins to run upon receipt of same.
- 8.3 Unless expressly agreed otherwise, the following payment due dates and discounts for prompt payment apply in favour of the Customer: 14 days, with a 2% discount for prompt payment; 30 days, net.
- 8.4 Absent the Customer's prior express consent, the Supplier is not entitled to assign its claims against the Customer or to have same collected by third parties. Where title has been retained, consent is deemed to have been given.
- 8.5 The Customer is entitled to rights of set-off and retention to the extent permitted by statute.
- 8.6 The Supplier may set off claims only if they are uncontested or have been reduced to an enforceable judgment.
9. Production resources/confidentiality
- 9.1 Production resources provided by the Customer (prototypes, forms, films, drawings, logos, print files, 3D files, etc.) must be returned to the Customer in proper condition after completion of the order at the Supplier's own initiative. Data provided electronically must be deleted. Artwork, print files, logos, etc. provided by the Customer may not be changed without the Customer's prior express consent. If such prior express consent is given, the changed version may first be used only after it has been subsequently proofed and expressly approved by the Customer. Production resources must be treated confidentially and may be used only to complete the Customer's orders. The Supplier undertakes to reproduce the Customer's production resources only to the extent necessary to complete the Customer's orders. After completion of the order, reproduced items must be returned to the Customer or, at the Customer's request, destroyed at the Supplier's expense.
- 9.2 Absent the Customer's prior express consent, production resources pursuant to Section 9.1 may not be delivered, consigned, or otherwise made accessible to third parties. The foregoing also applies where the Customer refuses to accept pieces that were defectively manufactured and where the Customer no longer issues any further orders.
- 9.3 The Supplier is liable for all damages incurred by the Customer as a result of an infringement of its ownership rights or industrial property rights.
- 9.4 The Supplier is obligated to treat orders confidentially and to impose the same duty of confidentiality on its employees.
- 9.5 All information regarding the collaboration that is provided by the Customer to the Supplier, or provided by third parties to the Supplier on behalf of the Customer, and in general all information that the Supplier receives from the Customer, regardless of form, and is designated as "confidential" or is obviously confidential,

or whose need for confidentiality is communicated by the Customer to the Supplier within 30 days of disclosure, are confidential.

The following information is not considered to be confidential within the meaning of the previous paragraph:

- information that becomes public knowledge without a breach of this agreement;
- information that the Supplier has independently learned;
- information that the Supplier already knew prior to notification by the Customer;
- information that the Supplier receives from a third party without a breach of contract and without an obligation to treat in confidence.

The Supplier may use confidential information only in connection with the contractual collaboration with the Customer and only in accordance with the requirements set forth here. Absent the Customer's prior express approval, the Supplier may not disclose confidential information to third parties, disseminate or publish same, or otherwise make same accessible to third parties, nor may it use same for itself or third parties beyond the contractual purpose. The Supplier may not create any copies of confidential information, whether as hard copies, electronic copies, or otherwise.

If the Supplier breaches one of the obligations assumed above, it must upon first demand compensate the Customer for all damages, losses, and costs, including attorneys' fees and court costs relating to actions in which it is a claimant or defendant, insofar as the cause for same lies in an unauthorised use or disclosure of confidential information by the Supplier. The foregoing does not apply if the Supplier is not responsible for the breach of duty.

The Supplier undertakes to pay the Customer a contractual penalty of EUR 20,000 for each individual instance of an infraction of this confidentiality obligation. The foregoing does not apply if the Supplier is not responsible for the infraction. The obligation to pay the contractual penalty does not affect the Customer's right to assert further claims for compensation of damages or the Supplier's duty to continue to comply with the confidentiality agreement.

The Supplier warrants that its sub-suppliers and input suppliers (to whom confidential information is disclosed pursuant to the above requirements) are obligated in accordance with the above requirements. The Supplier is liable to the Customer for any breaches of duty by sub-suppliers or input suppliers to the same extent as for its own fault.

## 10. Proprietary rights

10.1 The Supplier is obligated to transfer the delivered object to the Customer free of third-party rights. The Supplier warrants that delivery, use, and operation of the offered objects will not infringe patents or other third-party proprietary rights.

10.2 The Supplier is obligated to indemnify the Customer against any and all claims that may be asserted against it on the basis of infringements of third-party rights.

## 11. Statutory and regulatory requirements

The Supplier warrants that the delivered object is in conformity with statutory provisions for operation that are applicable in the Federal Republic of Germany, in the European Union, and at the contractually specified place of delivery or final destination/place of operation, including machinery protection provisions, VDE provisions, directives of the technical control board (TÜV) and the employers' liability insurance association, and the REACH Regulation, as well as with regulatory requirements and legislation. It must indemnify the Customer against all claims of third parties arising from non-conformity and compensate all damages (including any reputation damage) incurred by the Customer as a result thereof. The Supplier must submit, at its own initiative, product-related certificates and factory audits and, where requested by the Customer, risk analyses and conformity declarations.

If there are substantial indications that there are product-safety risks for a product within the meaning of statutory or regulatory requirements applicable in the relevant area of distribution (including where risks may emanate from the product that could make necessary a product recall or some other product-safety measure), the Customer is entitled, after taking into consideration the overall circumstances, including imminent reputation damages, to initiate a recall campaign or other product-safety measures. In such case, the Supplier is obligated to cooperate to the best of its efforts, to support the Customer, and to bear the costs arising in this regard.

## 12. Import and export provisions, customs

12.1 In the case of deliveries made, or services rendered, from an EU country other than Germany, the Supplier's EU value-added tax identification number must be indicated.

12.2 Imported goods must be delivered with customs paid. The Supplier is obligated at its expense to give all declarations and information required by statutes, regulations, directives, or administrative ordinances, to permit inspections by customs authorities, and to provide required official confirmations.

12.3 The Supplier is obligated to give the Customer detailed written notice about any authorisation duties concerning (re-) exports pursuant German, European, or U.S. export and customs provisions, as well as export and customs provisions of the country of origin of the goods and services.

## 13. General provisions

13.1 If the Supplier ceases making its payments, or if insolvency proceedings are commenced in respect of its assets or commencement is refused for lack of assets,

the Customer is entitled, notwithstanding other rights, to rescind the unperformed portions of contracts.

- 13.2 The relationships between the Supplier and the Customer are subject exclusively to the law of the Federal Republic of Germany. The same applies to these general business terms and conditions, to individual contracts concluded under their validity/inclusion, and to all claims resulting therefrom or relating thereto. The applicability of the United Nations Convention on Contracts for the International Sale of Goods (CISG) and of the conflict-of-law rules of international private law (in particular, those under the Rome I Regulation) is precluded.
- 13.3 The Supplier's personal data is stored to the extent that this is necessary in connection with the business relationship.
- 13.4 These general business terms and conditions have been prepared in German and English. In the event of conflicts or uncertainties, the German version is controlling.
- 13.5 The place of performance for all deliveries is the delivery address indicated in the order. In all other respects, Longuich is agreed upon as the place of performance.
- 13.6 Longuich is the exclusive place of jurisdiction.

Version: December 2017