

General Conditions of Purchase Status: January 2018

1. Area of Application

- 1.1 The following General Conditions of Purchase shall apply exclusively to dealings between companies. With the conclusion of a contract which includes these Conditions of Purchase, the supplier shall confirm that it is acting in the context of a commercial or corporate activity and not as a private individual or consumer. Orders from Behindertenwerkstätten Oberpfalz Betreuungs-GmbH (hereinafter referred to as "WFBM") shall be exclusively based on these General Conditions of Purchase. Terms and conditions of the supplier that conflict with or differ from these Conditions of Purchase shall only be deemed accepted if they have been confirmed by WFBM in writing as a supplement to these Conditions of Purchase. These Conditions of Purchase shall also apply if the supplier's delivery or service was accepted or paid for by WFBM without reservation in the knowledge of terms and conditions of the supplier that conflict with or differ from these Conditions of Purchase.
- 1.2 These Conditions of Purchase shall also apply to all future business transactions with the supplier until new conditions of purchase apply.
- 1.3 If separate written delivery contracts and/or quality assurance agreements or other regulations differing from these Conditions of Purchase are agreed between the supplier and WFBM, these General Conditions of Purchase shall be of subordinate importance and apply as a supplement.

2. Conclusion of the Contract, Amendments to the Contract, Target Quantities

- 2.1 Orders, conclusion of contracts and delivery schedules, and amendments and supplements to these shall be required to be in writing. Orders and delivery schedules may also be issued by remote data transmission or fax.
- 2.2 Verbal agreements prior to, during or after the conclusion of a contract, particularly post-contractual amendments and supplements to these Conditions of Purchase – including this written form clause – and collateral agreements of any kind shall require the written confirmation of WFBM in order to be effective. Item 2.1 2nd sentence shall remain unaffected.
- 2.3 If the supplier does not accept the order within two weeks of its receipt, WFBM shall be entitled to cancel. Delivery schedules shall become binding if the supplier does not object within one week of receipt, unless another cancellation period has been agreed.
- 2.4 Target quantities given in WFBM's order documents are anticipated, non-binding demand forecasts for a specific period and shall not constitute a purchase obligation.

3. Changes to the Delivery Item

- 3.1 Changes of any kind whatsoever, e.g. in the case of deviation from specifications, in material, dimensions, production methods, manufacturing location, placing with third parties, shall only be admissible if WFBM has consented to these in writing beforehand. If the supplier makes changes without WFBM's consent, WFBM shall be entitled to withdraw from the contract and claim compensation for all losses incurred as a result of this.

4. Prices, Payment Terms, Passing of Risk, Offsetting

- 4.1 The price stated in the order shall be binding. If there is no written agreement declaring otherwise, prices shall be DDP (Delivery Duty Paid, ICC Incoterms® 2010) to our receiving centres, including packing and incidental expenses.
- 4.2 Unless otherwise agreed, payments shall be made with no deductions within 30 days after the date on which payment is due and after the auditable invoice in proper form and the goods have been received or the service performed.
- 4.3 The supplier shall bear the risk of accidental loss, destruction or deterioration until the goods have been accepted by WFBM or by the party commissioned by WFBM at the location to which the goods are to be delivered as ordered.
- 4.4 WFBM can offset all claims it owes the supplier against all claims which the supplier owes WFBM.

5. Delivery, Delayed Delivery, Packing

- 5.1 The delivery times or dates given in the order shall be binding. The supplier shall be obliged to inform WFBM in writing immediately if circumstances occur or become known that may result in it not being possible to observe the agreed time of delivery. The receipt of the goods at the WFBM works to be delivered to or at the delivery location named by WFBM shall be decisive for the delivery date or delivery time.
- 5.2 In the case of a delay on the part of the supplier, WFBM shall be entitled to full statutory rights. In the case of a delay, WFBM shall be entitled to demand a contractual penalty to the amount of 0.5% of the value of the delivery/service which is delayed per full week, but no more than a maximum of 5% of the total order value. The contractual penalty shall be credited against the total damage caused by delay which is asserted.

- 5.3 The acceptance of the delayed delivery or service without reservation shall not include a waiver of claims for damages or contractual penalties to which WFBM is entitled as a result of the delayed delivery or service.

- 5.4 The supplier shall be obliged to state the exact WFBM order number on all shipping documents and delivery notes; should the supplier fail to do so, WFBM shall not be responsible for any delays in the processing.

- 5.5 Partial deliveries are inadmissible on principle unless WFBM has expressly agreed to these.

- 5.6 Unless otherwise agreed, the supplier shall exclusively use recyclable packing materials. Incidentally, the properties and labelling of the packing material used by the supplier must be such that it can be disposed of according to the applicable statutory regulations. At the request of WFBM and as far as it is possible, the supplier shall deliver the goods in standardised returnable containers suggested by WFBM which can be exchanged based on a rolling procedure.

- 5.7 If the supplier has undertaken a set-up or assembly and nothing else has been agreed, the supplier shall bear all the necessary incidental expenses, such as travel expenses and provision of tools, subject to differing regulations.

6. Inspection of Defects, Claims for Defects, Right of Recourse

- 6.1 After receipt, WFBM shall inspect the goods for any quantity discrepancies, wrong deliveries and damage that is externally visible. At least the delivery documents shall be used as a basis to check the identity of the goods delivered and whether quantities have been observed. In the context of this inspection, defects that are not visible shall count as hidden defects. The notice of defects shall be considered to be in due time if it is sent to the supplier within a time limit of 2 weeks from receipt of the goods or from the discovery of hidden defects. No continuing inspections or notices other than those mentioned above shall fall to WFBM in connection with the supplier.

- 6.2 The statutory regulations concerning material defects and defects of title shall apply unless otherwise regulated below.

- 6.3 Unless otherwise agreed, the limitation period for claims for defects shall be 3 years and begins on delivery of the goods. Longer statutory limitation periods shall remain unaffected.

- 6.4 WFBM shall be fundamentally entitled to choose the type of supplementary performance. The supplier can refuse the type of supplementary performance chosen by WFBM if this would only be possible at disproportionate cost.

- 6.5 The supplier shall be obliged to pay a supplementary charge of EUR 100.00 for every justified complaint raised by WFBM. WFBM shall be free to assert claims for further expenses. The supplier shall be permitted to provide evidence to prove that no expenses or significantly lower expenses were incurred.

- 6.6 Should the supplier not begin to remedy the defect immediately after WFBM has requested the remedy of a defect, in urgent cases and particularly to prevent acute risk or to avoid significant damage, WFBM shall be entitled to remedy the defect itself or have it remedied by a third party at the supplier's expense once the time period for remedying the defect that is appropriate under the circumstances has expired.

- 6.7 The supplier shall vouch for the fact that no third party rights shall be violated in connection with its delivery. If WFBM notifies the supplier that the delivery item is intended for another country of destination before ordering, the liability for defects of title shall also extend to this country. The supplier shall release WFBM from such third party claims upon first written request. This indemnity obligation of the supplier shall apply to all expenses that WFBM necessarily incurs from or in connection with the claims by a third party. The above shall not apply if the supplier is not responsible for the defect of title.

- 6.8 If the supplier meets its supplementary performance obligation with a replacement delivery, the limitation period for the goods delivered as a replacement shall start anew after their delivery, unless the parties have agreed that the replacement delivery was made in goodwill or to avoid disputes or in the interest of maintaining the business relationship and the limitation period does not start anew.

- 6.9 If costs are incurred to WFBM as a result of the bad delivery of the contractual item, particularly transport, route, labour and material costs or costs of a goods inward inspection exceeding the amount regulated by item 6.1, the supplier is to bear these costs. The supplier is also particularly to bear the costs and expenses which are incurred to WFBM in connection with the assembly and disassembly or exchange of defective parts delivered by the supplier or which are incurred to WFBM's customers and are to be borne by WFBM.

- 6.10 If it should come to expenses being incurred to WFBM for reworking and/or sorting as a result of a bad delivery, the supplier shall be obliged to pay a supplementary charge to the amount of EUR 50.00 per employee and full man-hour. WFBM shall be free to assert claims for further expenses. The supplier shall be

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- permitted to provide evidence to prove that no expenses or significantly lower expenses were incurred.
- 6.11 If it should come to a stoppage in production for more than one day at WFBM as a result of a bad delivery, the supplier shall be obliged to pay lump-sum damages to the amount of EUR 50.00 per employee and full man-hour with regard to the production department affected by the stoppage in production. This shall not apply if the supplier is not responsible for the bad delivery. WFBM shall be free to assert claims for damages due to a continued stoppage in production. The supplier shall be permitted to provide evidence to prove that no damages or significantly lower damages accrued due to a stoppage in production.
- 6.12 If a WFBM product requires a service operation on the end customer's premises as a result of a bad delivery, the supplier shall be obliged to reimburse the operation costs arising from this amounting to a lump sum of EUR 500.00 per customer service operation. WFBM shall be free to assert claims for further operation costs. The supplier shall be permitted to provide evidence to prove that no operation costs or significantly lower operation costs were incurred.
- 6.13 The deliveries must be made in compliance with EU Directive 2011/65/EU (RoHS) on the restriction of the use of certain hazardous substances in electrical and electronic equipment and in compliance with Council Regulation (EC) No. 1907/2006 (REACH).
- 7. Product Liability, Indemnity, Insurance Coverage**
- 7.1 If product liability claims stemming from the supplier's delivery or performance are asserted against WFBM, the supplier shall be obligated to indemnify WFBM from claims for damages of third parties upon its first request to the extent that the cause lies in the supplier's area of control and organisation and the supplier is liable to third parties itself. If the cause of damage lies in the responsibility of the supplier, it shall bear the burden of proof to this extent.
- 7.2 Within the scope of its liability for damages in terms of item 7.1, the supplier shall also be obliged to reimburse any possible expenses pursuant to sections 683 and 670 of the German Civil Code (BGB) and also sections 830, 840 and 426 BGB that result from any product recall carried out by WFBM or that are incurred in relation to any such action. WFBM shall inform the supplier – as far as is possible and reasonable – of content and scope of the product recall measures to be carried out and give it the opportunity to make statements. Other legal claims shall remain unaffected.
- 7.3 The supplier shall maintain product liability insurance coverage of at least €5 million per personal injury/damage to property – as a lump sum – and, at the request of WFBM, provide proof of the existence of such insurance; should WFBM be entitled to further claims for damages, these shall remain unaffected.
- 7.4 The statutory provisions shall apply in addition to the above regulations.
- 8. Documents, Secrecy**
- 8.1 All business or technical information made accessible by WFBM (including features which may be gathered from any objects, documents or software which may have been delivered, and other knowledge or experience) is to be kept secret from third parties as long as and to the extent that it is not proven to be publicly known, and may only be made available to those persons in the supplier's business who necessarily have to be called in to use it for the purpose of delivery to WFBM and who are likewise sworn to secrecy; it shall remain the exclusive property of WFBM. Such information may not be duplicated or used without the prior written consent of WFBM – with the exception of deliveries to WFBM. At the request of WFBM, all information stemming from WFBM (where applicable including copies or recordings made) and all items loaned are to be returned to WFBM or properly destroyed immediately in their entirety.
- 8.2 Products manufactured according to documents created by WFBM, such as sketches, models and the like, or according to confidential data belonging to WFBM or with tools belonging to WFBM or copied tools may not be used by the supplier itself or offered or delivered to third parties.
- 8.3 In its advertising, the supplier may only refer to its business connections with WFBM if WFBM has declared its written consent to this beforehand.
- 9. Declaration Concerning the Origin Status of the Goods Delivered**
- 9.1 If necessary, the supplier shall provide WFBM with a supplier's declaration and/or all other documents required by the customs authorities or any other authorities free of charge.
- 9.2 The supplier is to meet all the requirements of the applicable national and international foreign trade legislation. The supplier shall affirm that the delivery items are not subject to any export limitations, either in countries in the European Union or in third countries, and particularly that the delivery items are not listed in either the export list (Appendix Annex AL on the Ordinance concerning the Enforcement of the German Foreign Trade and Payments Act) (Foreign Trade and Payments Ordinance) or in Annex I and/or Annex IV of Council Regulation (EC) No. 428/2009 (dual-use) or in equivalent lists, regulations or annexes.
- 9.3 The supplier shall reimburse WFBM for all costs and other damages incurred as a result of an incomplete or false declaration unless the supplier is not responsible for the breach of obligation. In this case, the burden of proof with regard to not having to bear responsibility for the breach of obligation shall rest with the supplier.
- 10. Quality Assurance, Social Responsibility, Environmental Protection**
- 10.1 To guarantee the quality of its deliveries, the supplier shall develop and maintain a quality management system that at least corresponds to the requirements according to ISO 9001. The supplier shall manufacture and test its products in line with the regulations of this quality management system. WFBM shall be entitled to check compliance with the system in the context of a quality audit at the supplier's premises after prior scheduling.
- 10.2 The supplier shall comply with the respective legal regulations with regard to dealing with employees, environmental protection and work safety, particularly the provisions with regard to minimum wage, social and protection regulations for employees, such as working hours and work protection regulations, the tax regulations and those pertaining to social insurance law, and shall work on reducing detrimental effects on humans and the environment in its operations. In this regard, the supplier shall set up and continue to develop a management system in accordance with ISO 14001 and OHSAS 18001 as far as its operations permit. Furthermore, the supplier shall observe the principles of the UN Global Compact initiative. These essentially concern the protection of internationally proclaimed human rights, the right to collective bargaining, the abolition of forced labour and child labour, the elimination of discrimination in respect of employment and occupation, the responsibility for the environment and the prevention of corruption. More information on the UN Global Compact initiative is available at www.unglobalcompact.org.
- 11. Supplementary Regulations for Contracts for Works and Services**
- 11.1 Cooperation**
- Unless otherwise agreed, the supplier shall receive from WFBM all information, documents and data in the agreed data format (hereinafter referred to jointly as "information") which WFBM deems necessary for the supplier to perform the services and which are available to WFBM unless they are otherwise accessible to the supplier. If the supplier considers information to be insufficient or unclear, it will inform WFBM of this immediately in text form.
- 11.2 Assignment of Staff**
- 11.2.1 The supplier shall exclusively perform the services which are the subject of the contract using staff who are sufficiently qualified to perform the respective services. The supplier shall ensure that the legal frame conditions concerned with the organisation of working conditions, social insurance and work protection regulations are fully complied with for all staff used. For foreign employees, the supplier shall ensure that any required permits and approvals exist, and provide proof of this at the request of WFBM.
- 11.2.2 If the use of certain employees is agreed for the services which are the subject of the contract to be performed, a replacement of employees by the supplier shall require the prior consent of WFBM, which shall not refuse this unreasonably. In all cases, the new employee assigned must have at least the same qualification as the employee being replaced; item 11.2.1 shall remain unaffected. No additional expense that is incurred to the supplier due to training the new employee shall be borne by WFBM.
- 11.2.3 WFBM is entitled to require the replacement of employees assigned if WFBM has justified doubts as to the suitability and/or competence of the employees assigned to perform the service owed and/or as to the personal reliability of the employees assigned.
- 11.3 Remuneration**
- 11.3.1 If a fixed price has been agreed, this shall cover all of the supplier's services, expenses and costs unless expressly agreed otherwise.
- 11.3.2 If remuneration has been agreed on a time and material basis, the remuneration shall be paid based on an hourly rate. Time outlay, which is calculated by hourly rate, is to be recorded

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- precisely on at least a half-hourly basis and billed by presenting a comprehensible performance record unless otherwise agreed. The agreed remuneration shall compensate for all of the supplier's other costs and expenses in their entirety.
- 11.3.3 If outlay should be billed based on a daily rate, it shall be considered agreed that one working day comprises at least eight (8) hours. If the working hours should be fewer than eight hours, each hour accumulated shall be billed as 1/8 of the daily rate. Item 11.3.2 3rd sentence shall apply accordingly.
- 11.3.4 Travel time shall only be remunerated as working hours to the extent that it is necessary to perform the service.
- 11.3.5 The supplier shall have no entitlement to additional remuneration for any work performed in the evening or at night or for work on Saturdays, Sundays or public holidays unless the performance of work on Saturdays, Sundays or public holidays and the additional remuneration resulting from this is expressly agreed with WFBM beforehand in each case.
- 11.3.6 Unless otherwise agreed, the supplier shall only be reimbursed for costs of travel and accommodation if employees of the supplier make journeys for the purpose of completing the order and WFBM has issued its prior consent in text form that it will assume the corresponding costs. The cheapest and most suitable means of transport is to be chosen considering the time necessity.
- 11.3.7 Any other costs and expenses incurred to the supplier shall only be refunded if and to the extent that they were agreed in advance and correspond to the agreed requirements concerning their cost-effectiveness. Costs and expenses are to be billed with no additional charge. Copies of the receipts for the costs and expenses incurred are to be provided with the bill. WFBM may require the original receipts to be provided at any time.
- 11.3.8 The supplier shall charge for all services in due form and in compliance with the applicable fiscal regulations plus any applicable VAT to the statutory amount.
- 11.4 Subcontracting of Third Parties**
- 11.4.1 Unless otherwise agreed, the supplier shall only be entitled to commission subcontractors to perform services for WFBM with the prior consent of WFBM. The consent is to be given in writing or in text form.
- 11.4.2 If the supplier uses third parties to perform services, the supplier shall be responsible for the services of the third party and for its own services. The supplier shall be liable for the fault of the third party and for its own fault.
- 11.4.3 The supplier shall ensure that in the case of the (permitted) subcontracting it refers to the services of the third party in its own name and for its own account and that a contract is only concluded between the supplier and the third party. The supplier shall not be entitled to represent WFBM or to conclude contracts in the name of WFBM.
- 11.4.4 The supplier shall not be entitled to charge a supplementary fee (handling fee or similar) for external labour. The Supplier shall pledge that it shall not have services, payments or other non-cash advantages which are connected to the issuing of the subcontract (particularly including cash discounts or rebates in kind, bonus payments, kickbacks) promised or granted to either itself or others by the third party or by companies or persons associated with the third party either directly or indirectly. In the case of a breach of this obligation, WFBM shall be entitled to terminate the contract without notice and shall be entitled to the surrender of the advantages received by the supplier in money form. Further claims for compensation on the part of WFBM shall remain unaffected.
- 11.5 Rights of Use**
- 11.5.1 The results of the services (hereinafter referred to as "results") shall become the property of WFBM on their construction and also in their respective stage of processing. The supplier shall store the results for WFBM until their delivery. WFBM shall have the exclusive, transferable, sub-licensable and worldwide right, unrestricted in terms of content or time, to use in any way, duplicate, change and – including in a form processed by WFBM – make publicly accessible, publish or turn to account the results itself or through third parties. Stringent statutory provisions shall remain unaffected.
- 11.5.2 If WFBM and/or a third party which is in a contractual relationship with WFBM requires industrial property rights from the supplier which were developed or acquired before or in the context of the performance of the services (including copyrights and know-how) in order to be able to use the results, the supplier shall hereby grant WFBM a non-exclusive, transferable, unrestricted, worldwide right of use of the background industrial property rights for an unlimited period which also covers the right of sub-licensing. This right of use shall also apply for companies affiliated with WFBM and for those commissioned by WFBM and the companies affiliated with them.
- 11.5.3 If the results contain inventions or thoughts that are capable of being protected, WFBM shall be entitled to then apply for industrial property rights in any country at its free discretion and in its own name, to maintain these or also to abandon these at any time. If necessary, the supplier shall support WFBM in the application; the supplier shall refrain from anything which could hinder WFBM from applying for or utilising the rights efficiently. Any industrial property rights arising as a result of such applications shall belong to WFBM.
- 11.5.4 The supplier shall waive being named as the originator with regard to the results unless otherwise agreed in the specific case.
- 11.5.5 The supplier shall ensure that the inventions or thoughts which developed in the context of the services being performed are transferred to WFBM at no cost to WFBM.
- 11.5.6 The granting of the rights according to item 11.5 of this document shall be settled on payment of the remuneration agreed for the services in question.
- 11.5.7 The results shall be subject to secrecy according to item 8.
- 11.6 Delivery and Acceptance of Services**
- As far as acceptance of the services is provided for by statute or by contract, the supplier shall provide WFBM with the service for acceptance at the agreed time or in sufficient time before the designated acceptance date. WFBM shall declare acceptance in writing or in text form provided that the respective service meets the agreed requirements. If the acceptance of partial services has been agreed in a specific case, the total contractual service shall not be considered accepted until the last partial service performed by the supplier has been accepted, unless something else has been expressly agreed between the parties.
- 11.7 Rights in the Case of Poor Work Performance**
- In the case of poor work performance, WFBM shall be entitled to the statutory rights unless otherwise agreed in this contract or in the individual contract agreements.
- 11.8 Conduct on Works Premises at WFBM**
- The supplier is to ensure that staff it has assigned to activities on the works premises at WFBM comply with all of WFBM's instructions, particularly with regard to maintaining order, safety and fire safety, submit to the usual checking procedures and otherwise observe all relevant statutory provisions, particularly with regard to occupational health and safety and environmental protection. If several of the supplier's employees are working on works premises to perform the services, the supplier is to give WFBM the name of one person as a contact who has the authority to instruct and supervise; WFBM is to be notified of any change. The "Works Regulations for External Companies and Suppliers" shall apply in addition.
- 11.9 IT Security, Data Protection**
- 11.9.1 The supplier shall take suitable measures to secure data and protect its IT systems against programs containing damaging functions (viruses) and access by unauthorised third parties in order to adequately protect information received from WFBM and the results created for WFBM against loss, change, disclosure or access by unauthorised third parties. The supplier shall inform WFBM immediately if there are indications of attempted or successful unauthorised access by third parties and it shall support WFBM to an appropriate extent in the measures necessary to clear up and ward off access.
- 11.9.2 If the supplier performs services on the works premises at WFBM or has access to any of WFBM's IT systems, the data protection agreement signed in this respect shall apply in addition.
- 11.9.3 If the supplier receives access to personal data when performing services, the supplier shall observe the statutory provisions regarding data protection and enable WFBM to obtain information about the compliance with these provisions. The supplier shall place its employees and freelancers under written obligation in this regard.
- 11.10 Termination**
- 11.10.1 WFBM can terminate the order at any time in part or in its entirety without giving reasons. In the case of such a termination, WFBM shall pay remuneration for services which are verified to have been performed before the termination took effect to the amount of the corresponding share of the total remuneration agreed and any costs which may be incurred in excess of this which are verified to have resulted directly from the order. In all cases, however, the amount of the payment claim shall be restricted to the total remuneration agreed. The supplier shall not be entitled to any claims for performance or damages exceeding this on the occasion of such a termination.
- 11.10.2 If WFBM should exercise a right of termination to which it is entitled by contract or by law due to a breach of contract by the

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supplier, the services performed up until that point shall only be settled at the remuneration amount agreed by contract to the extent that they can be used by WFBM as designated. Damage for which WFBM is to be compensated shall be taken into account in the billing.

12. Supplementary Provisions

If these General Conditions of Purchase do not contain any regulations, the statutory provisions shall apply.

13. Final Provisions

- 13.1 The place of performance for deliveries and services shall be the receiving centre described by WFBM. The place of performance for payments shall be the registered office of WFBM.
- 13.2 Should one of the provisions in these Conditions and in the further agreements met be or become ineffective, this shall not affect the validity of the rest of the Conditions. The contractual partners shall be obliged to replace the ineffective provision with a regulation which comes as close as possible to it with regard to commercial success.
- 13.3 The law of the Federal Republic of Germany shall apply, with the exclusion of its private international law (conflict of law provisions) and the United Nations Convention on Contracts for the International Sale of Goods (CISG):
- 13.4 The place of jurisdiction in all legal disputes arising directly or indirectly from the contractual relationships on which these Conditions of Purchase are based shall be the registered office of WFBM. WFBM shall be further entitled to sue the supplier at its discretion at the court with jurisdiction for the supplier's registered office or its branch or at the court with jurisdiction at the place of performance.