



**tagltron GmbH General Terms and Conditions
concerning the Purchase of Products and Services**

Date: January 2017

I. Scope of Application

1. The General Terms and Conditions of tagltron GmbH, Am Grarock 8, 33154 Salzkotten (hereinafter referred to as „tagltron GmbH“), shall apply exclusively to the purchase of products and services and the Supplier agrees hereto when the order is placed. Deviations from the tagltron GmbH General Terms and Conditions shall only apply if they have been expressly acknowledged in writing by tagltron GmbH.
2. Conflicting conditions or conditions deviating from the tagltron GmbH General Terms and Conditions or conditions by the Supplier which change the contract are herewith rejected; they shall only be valid visàvis tagltron GmbH, if tagltron GmbH agrees to such changes in writing. This shall also apply in particular in the event that the Supplier's offer is accepted or the acceptance of the Supplier's offer (order confirmation) is made with reference to the Supplier's own general terms and conditions of sale.
3. The tagltron GmbH General Terms and Conditions for the Purchase of Products and Services shall be the basis for all future transactions between tagltron GmbH and the Supplier.
4. In other respects, the statutory provisions, and with regard to international treaties, the INCOTERMS of the International Chamber of Commerce in Paris as well as the Uniform Customs and Practices of Documentary Credits, as revised, shall also apply.

II. Scope of Deliveries or Services

1. The order shall be placed or made in writing only. The respective contract shall come about with the content of tagltron GmbH's order subject to tagltron GmbH's right to change the order (delivery time, order quantity, etc.) unless the Supplier objects.
2. If the order confirmation deviates from the order, tagltron GmbH shall only be bound to the order if tagltron GmbH accepts the deviation in writing.
3. Changes or additions to the order shall only be valid if they are confirmed in writing by tagltron GmbH. Oral agreements are nonbinding for tagltron GmbH. Orders sent by Email may only be executed by the Supplier, if this has been expressly agreed with tagltron GmbH.
4. tagltron GmbH unrestrictedly reserves all intellectual property rights and copyrights to cost estimates, drawings and other documents; they may only be furnished to third parties with the prior consent of tagltron GmbH. Such documents are to be used solely for production purposes on the basis of the order; after the order has been filled and if the contract does not come about, the documents are to be returned to tagltron GmbH without waiting to be asked to do so.
5. The Supplier shall only be entitled to have the order or individual parts there of executed by third parties that work independently with tagltron GmbH's prior written consent.



III. Orders, Price

The price disclosed in the order is binding. In the absence of deviating written agreements, the price shall include the delivery “free domicile” to the shipping address indicated in the order, including packing and insurance. The statutory value-added tax and customs duties are included in the price and are to be reported separately. Every shipment is to be accompanied by the delivery notes issued in triplicate. All of the shipping documents and delivery notes must designate the content of the shipment and contain tagltron GmbH's order number.

IV. Retention of Title by tagltron GmbH

1. If tagltron GmbH furnishes components to the Supplier, title thereto shall remain with tagltron GmbH. Any processing or reworking by the Supplier shall be undertaken on behalf of tagltron GmbH. If goods subject to retention of title by tagltron GmbH are processed or reworked with other goods not belonging to tagltron GmbH, tagltron GmbH shall acquire coownership to the new item at a ratio of the value of the goods subject to retention of title to the other goods at the time they are processed or reworked.

2. If the components furnished by tagltron GmbH are inseparably intermixed with items not belonging to tagltron GmbH, tagltron GmbH shall acquire coownership to the new item at a ratio of the value of the goods subject to retention of title to the other goods at the time they are intermixed. If such intermixing is done so that the Supplier's item is to be regarded as the primary item, the Supplier shall transfer coownership to tagltron GmbH proportionally; the Supplier shall hold sole or coownership in trust for tagltron GmbH, as the case may be.

3. In case a third party encroaches upon tagltron GmbH's ownership, the Supplier shall refer to tagltron GmbH's ownership and shall notify tagltron GmbH without delay. All of the costs incurred by tagltron GmbH in connection with taking action against such encroachment are to be reimbursed by the Supplier.

V. Retention of Title by the Supplier

1. The Supplier shall notify tagltron GmbH in writing if goods are to be delivered subject to retention of title.

2. If proper notice is given of retention of title, the following shall apply:

Prior to the transfer of ownership, the Supplier shall permit tagltron GmbH to sell the goods delivered during the ordinary course of business. If tagltron GmbH's products are intermixed with other goods to form a single new item prior to the transfer of ownership, so that the new item must be considered the primary good, tagltron GmbH shall transfer ownership to the new good proportionally to the Supplier, provided that the primary good belongs to the Supplier. If tagltron GmbH sells goods delivered to a third party in accordance with the relevant contractual provisions, tagltron GmbH shall hereby assign to the Supplier all receivables from its purchasers arising from the sale, together with all ancillary rights, until the full payment of such receivables. The Supplier shall release collateral held by it to the extent that the value of such collateral exceeds 10 % of the receivables secured by the collateral.



VI. Terms of Payment

1. Unless otherwise agreed, payments shall be made without deductions (net) within thirty (30) days. For payments within fourteen (14) days, a cash discount of 3 % will be granted. Timely payment shall be contingent upon the point in time of

tagltron GmbH's payment instruction.

The payment period shall begin to run as soon as the relevant goods or services

have been fully delivered or provided and the properly issued invoice, stating the order number set forth in the order, has been received. A cash discount shall also be permissible, if tagltron GmbH undertakes a set off or withholds payment in a reasonable amount because of defects, the payment period shall begin upon the complete rectification of such defects.

2. tagltron GmbH shall have the setoff and payment retention rights as provided by statute.

VII. Deadlines for Deliveries or Services

1. The timeliness of deliveries shall be determined by the receipt of the goods at the place of receipt or use indicated by tagltron GmbH within the agreed delivery period; the timeliness of services shall be determined by their acceptance by tagltron GmbH within the agreed service period.

2. The Supplier shall notify tagltron GmbH in writing immediately if circumstances occur or become recognizable from which it appears that the contracted delivery period cannot be complied with. Disruptions of operations, shortfalls or non responses by suppliers (to the Supplier), the lack of power or raw materials, traffic disruptions, to the extent that such events are not foreseeable or avoidable, as well as strikes, lockouts, government rulings and Acts of God shall free the party affected from its obligation to deliver or accept the goods for the duration of the disruption and the scope of its impact. In case date of delivery or acceptance is delayed by more than one (1) month, either party shall be entitled, to the exclusion of all other claims, to withdraw from the contract with regard to the quantities affected by the disruption in delivery or acceptance. This shall not apply to liability in the event of deliberate intent or gross negligence.

3. For noncompliance for reasons for which the Supplier bears the risk, tagltron GmbH may assert a lump sum compensation of 1 % of the value of the delivery for every full week of the delay. Such compensation is limited to a total amount of 5 % of the value of the order. The Supplier has the right to prove that tagltron GmbH has not incurred any loss or a lesser loss as a result of the delay incurred.

4. tagltron GmbH reserves the right to assert additional claims for damages, to the extent that tagltron GmbH proves that it has incurred a higher loss as a result of a delay for which the Supplier is responsible. In this case, any contractual penalty effected in accordance with No. 3 above will be credited.

5. tagltron GmbH's right to withdraw from the contract after the fruitless expiration of a suitable grace period granted to the Supplier or to demand damages for breach of contract, shall remain unaffected hereby.



6. If tagltron GmbH is in default of acceptance, the Supplier shall be entitled to demand the reimbursement of the additional expenses incurred for the underlying order, but no more than the amount of the purchase price agreed in the underlying contract. tagltron GmbH has the right to prove that the Supplier has not incurred any losses or lesser losses due to the delay in acceptance.

VIII. Passing of Risks

1. In the case of services, the risk shall pass with their acceptance; for deliveries, the

risk shall pass with their receipt by the place of receipt or use indicated by tagltron GmbH. The Supplier shall state tagltron GmbH's precise order number in all shipping documents and delivery notes; if the Supplier fails to do so, tagltron GmbH will not accept any responsibility for any delays in processing.

2. If delivery is delayed at tagltron GmbH's request or if tagltron GmbH is in

default of acceptance, the Supplier shall have to effect the insurance requested by tagltron GmbH at tagltron GmbH's expense.

IX. Acceptance

Goods delivered shall only be accepted by tagltron GmbH if they do not display any defects.

X. Warranty and Termination

1. The Supplier shall undertake quality assurance measures and quality controls. tagltron GmbH's incoming goods department will, therefore, be limited to a comparison

of the incoming deliveries with the order on the basis of the delivery note, the indicated quantity and the markings on the packing and the goods.

2. Goods must be state of the art and correspond to the quality agreements made. The Supplier shall take responsibility for ensuring that all of the applicable export control regulations under German and foreign law in connection with the delivery are complied with. If there is reasonable cause, the Supplier shall submit a certificate of origin at tagltron GmbH's request.

3. tagltron GmbH shall retain its full statutory warranty claims; independent hereof, tagltron GmbH is entitled to demand, at its option, the statutory claims to [subsequent] performance ("*Nacherfüllung*") rectification of defects, elimination of defects or new delivery as well as further claims to reduction in price or withdrawal from the contract, and in addition hereto, claims for damages, including compensation for the loss instead of performance, as well as the reimbursement of any expenditures made in vain.

4. To the extent that the Supplier grants a seller's and/or a manufacturer's guaranty without prejudice to the aforementioned claims, the details are to be taken from the terms of the guaranty which are enclosed with the respective goods delivered.

5. If the Supplier does not discharge tagltron GmbH's warranty claim within a reasonable period of time, which amounts to fourteen (14) days, as a rule, tagltron GmbH shall be entitled to assert a claim for every day by which the commencement of the discharge of the warranty claim is delayed to a lumpsum compensation, without prejudice to the provisions in Section VII. Paragraph 3 above,



namely, of 1 % of the value of the delivery for every full week of the delay. This shall apply *mutatis mutandi* if the rectification of defects is delayed due to the fact that the Supplier culpably interrupts such rectification. Such compensation is limited to the total amount of 5 % of the order value. The Supplier has the right to prove that tagltron GmbH did not suffer any loss or a lower loss due to the delay incurred.

6. With openend

delivery contracts, tagltron GmbH may withdraw from the order as a whole, if at least two deliveries have been faulty, either wholly or in part. Unless

otherwise agreed and in the event of a continuous obligation with the ongoing provision

of deliveries or services, tagltron GmbH shall be entitled to terminate such deliveries or services with a notice period of one (1) week without giving any reasons herefor. Until the conclusion of an order, tagltron GmbH shall be entitled to terminate the order at any time with immediate effect.

XI. Liability – Indemnification – Liability Insurance

1. To the extent that the Supplier is responsible for damage caused by a product, the Supplier shall indemnify tagltron GmbH against thirdparty claims for damages at

the first request. As part of its liability for cases of damage within the meaning of Sentence 1 above, the Supplier shall also reimburse any expenditures arising from or in connection with a recall of products executed by tagltron GmbH. Other statutory claims shall remain unaffected hereby.

2. The Supplier shall maintain product liability insurance with a lumpsum liability

insured of EUR 5.0 million per incident of personal injury / property damage. If tagltron

GmbH has any further contractual and/or statutory claims for damages, these shall remain unaffected hereby.

XII. tagltron GmbH's Restriction on Liability

1. tagltron GmbH shall be liable to the Supplier for any damage incurred only to the extent that tagltron GmbH acted with deliberate intent or gross negligence. This shall not apply to damage or loss arising due to loss of life, physical injury or health damage. Moreover, tagltron GmbH shall also be liable for such loss or damage which tagltron GmbH or its vicarious agents or employees have caused by breaching a major contractual duty up, namely up to the amount of the typically foreseeable loss or damage.

2. tagltron GmbH's liability for indirect damage or loss and consequential damage or loss is excluded.

3. This restriction on liability shall apply with regard to all claims for damages, regardless of their legal grounds, and in particular, with regard to claims related to preliminary or collateral contracts. This restriction on liability does not restrict any



statutorily mandatory liability.

4. Claims for damages on the part of the Supplier other than claims for damages due to a defect in performance must be asserted in court within a period of one (1) year as of the genesis of the claim. This shall not apply to liability for loss or damage arising due to loss of life, physical injury or health damage.

XIII. Assignment of Receivables

Receivables may only be assigned with tagltron GmbH's written consent.

XIV. Industrial Property Rights and Secrecy

1. To the extent that the Supplier has industrial property rights (patent, trademark, copyright, utility model or registered design, data base property rights or other rights) with regard to the goods to be delivered and/or the services to be rendered, the Supplier shall grant tagltron GmbH the right to use such goods and services without any restrictions as to time, location or purpose.

2. The Supplier shall be responsible for ensuring that no thirdparty

industrial property rights in Germany or abroad are breached by the delivery of its goods and/or by the provision of its services to tagltron GmbH and tagltron GmbH's use thereof.

The Supplier shall indemnify tagltron GmbH and tagltron GmbH's customers at the first written request against all claims asserted by third parties for breaches of such industrial property rights. tagltron GmbH is not entitled to make any agreements detrimental to the Supplier, and in particular, not to make any settlement with such third party without the Supplier's consent. The Supplier's indemnity obligation

refers to all applications which accrue from or in connection with their use by a third party.

3. tagltron GmbH and the Supplier shall mutually notify each other immediately if third parties assert any claims for breaches of industrial property rights due to the goods delivered or services rendered.

4. The Supplier shall treat orders by tagltron GmbH and all of the commercial and technical details related hereto as a business secret. This shall also apply to depictions, drawings, calculations, etc., which the Supplier receives in connection with orders by tagltron GmbH. The Supplier shall impose this duty of secrecy in the same manner on its vicarious agents and employees.

Third parties may only have access to confidential information after the prior written consent of tagltron GmbH. This duty of secrecy shall also apply after the completion of the contract for the period of two (2) years.

XV. Occupational Safety, Accident Prevention and Security; Product or Process

Alterations

1. The Supplier shall comply with the relevant statutes and regulations pertaining to occupational safety, accident prevention, transport and systems security (as well as tagltron GmbH's own site-related regulations) and to maintain an effective



management system in these designated areas and to place the corresponding proof at tagltron GmbH's disposal on request or to grant tagltron GmbH inspection rights.

2. Suppliers who maintain regular business relationships with tagltron GmbH shall inform tagltron GmbH at an early stage, if they intend to alter products or processes with regard to products or services obtained from tagltron GmbH.

XVI. Legal Successors, Reorganization

1. Insofar as tagltron GmbH undergoes a reorganization through a change in its legal form that preserves its legal identity or through a change in its legal personality due to a merger, splitup

or transfer of assets in accordance with the provisions of the German Reorganization Act (*Umwandlungsgesetz*), the contract concluded

by and between tagltron GmbH and the Supplier, together with all rights and duties pertaining hereto, shall be continued with the newly formed or acquiring legal successor.

2. Furthermore, tagltron GmbH shall be entitled to transfer contracts concluded by and between tagltron GmbH and the Supplier to a company affiliated with tagltron GmbH within the meaning of § 15 German Stock Corporation Act (*Aktiengesetz*)

together with all of the rights and duties pertaining hereto.

XVII. Forum and Venue, Applicable Law, Place of Performance

1. Unless mandatory statutory provisions provide otherwise, the forum and venue for all disputes arising between the Supplier and tagltron GmbH shall be the courts at Paderborn if tagltron GmbH so choose or the Supplier's domicile; the courts at Paderborn shall have sole jurisdiction over any lawsuits filed against tagltron GmbH.

2. The laws of the Federal Republic of Germany shall apply to this contractual relationship to the exclusion of the UN Sales Convention (United Nations Convention on Contracts for the International Sale of Goods).

XVIII. Validity of the Contract

1. If individual provisions of these General Terms and Conditions are or become invalid either wholly or partly – for whatever reason – then these invalid provisions will be replaced by valid provisions which come closest to the economic intent of the invalid provision.

2. In cases of doubt, the applicable statutory default provisions of the Federal Republic of Germany and the respective provisions of the INCOTERMS 2000 shall replace the invalid provisions.

Note:

The Supplier takes note that tagltron GmbH saves and processes data (including personal data related to business transactions – on this contract pursuant to § 28 of the German Federal Data Protection Act (*Bundesdatenschutzgesetz = BDSG*) for the purpose of processing such data.