

IDS Imaging Development Systems GmbH, General Terms of Purchase

I. General provisions – Scope

1. The Conditions of Purchase of IDS Imaging Development Systems GmbH (hereinafter: IDS) shall apply exclusively; conflicting terms and conditions of the Supplier are rejected in advance, unless IDS has expressly agreed to their validity in writing.
2. IDS Conditions of Purchase shall also apply, including where IDS accepts deliveries from the Supplier without reservation being aware of conflicting or deviating terms and conditions of the Supplier.
3. All arrangements made between IDS and the Supplier for the purpose of implementing this contract are set down in the present contract in writing.
4. IDS Conditions of Purchase only apply vis-à-vis entrepreneurs within the meaning of Article 14 German Civil Code, if the contract pertains to operation of the enterprise, and vis-à-vis legal entities under public law and special funds under public law within the meaning of Article 310(1) German Civil Code.
5. Upon IDS executing an order, these Conditions of Purchase are accepted for the said order and all subsequent orders, including where the Supplier's terms and conditions are referenced in a confirmation of order, delivery note, invoice or correspondence from the Supplier or otherwise.
6. These Conditions of Purchase shall also apply to all future business with the Supplier.

7. The Supplier may not transfer the order to third parties without the prior consent of IDS.

II. Offer – Offer documentation

1. An offer from IDS is binding upon IDS for a period of two weeks. Subsequent acceptance represents a new offer by the Supplier. The effective date is the date of receipt by IDS.
2. IDS may cancel the order if the Supplier has not accepted it in writing within a period of two weeks from receipt. (Confirmation of order)
3. The confirmation of order must indicate pricing, discounts, binding delivery deadlines and the IDS order number and reference.
4. If the confirmation of order does not conform with the order, it is only binding on IDS if IDS has consented to such non-conformity in writing.
5. Amendments of and supplements to the order are only effective if confirmed by IDS in writing.
6. The Supplier must inform IDS in writing before concluding the contract in case that the goods ordered being subject to export controls and restrictions on marketability under regulations applicable in the Federal Republic of Germany. Failing this, IDS may cancel the contract without setting a prior deadline and regardless of whether the Supplier is at fault. Further claims by IDS are not excluded.
7. IDS can require modifications to the contractual object, including

after contract conclusion, insofar as such modifications are reasonable for the Supplier. For such contractual modifications, the consequences for both parties, in particular, any additional or reduced costs, and for delivery deadlines, must be given appropriate consideration.

8. IDS shall retain proprietary rights, intellectual property rights and copyright to images, drawings, calculations and other documentation; these may not be disclosed to third parties without the express, written consent of IDS thereto. Such documentation is to be used exclusively for manufacturing based on the IDS order; after processing of the order, it must be returned to IDS without further request. The said documentation must be treated as strictly confidential vis-à-vis third parties; in this respect, the provisions of Article 9(1) and (2) shall also apply.
9. Framework Agreements do not create any obligation to order nor acceptance for the full amount; rather, they only create an authorisation for IDS for this purpose.

III. Pricing, payment terms, assignment of claim

1. The price stipulated in the order is binding. Unless otherwise agreed upon in writing, the price includes free shipping to the address of the buyer, inclusive of packaging and insurance. Return of the packaging requires a separate agreement.
2. Where statutory VAT applies, this is included in the price.

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3. Invoices may only be processed by IDS, if these – in accordance with the specifications of the IDS order – contain the order number stated therein; the Supplier is liable for all consequences resulting from non-compliance with this obligation, unless it can prove that it was not responsible for such consequences.
 4. Unless otherwise agreed upon in writing, IDS shall pay the purchase price within 14 days, with a 2% discount, calculated from delivery and receipt of invoice, or within 30 days after receipt of invoice without discount.
 5. IDS may exercise the right of set-off and the right of retention within the scope of statutory provisions.
 6. No reimbursement for visits or for the development of offers and projects shall be payable.
 7. Insofar as the Supplier needs to provide material tests, inspection protocols, quality control documents or other documentation shall be a requirement for full performance of the deliveries and services. Only upon handover of such documentation are invoices due for payment. A cash discount may also be granted, if IDS undertakes a set-off or retains payment in an appropriate amount based on defects; the payment period begins after such defects have been remedied in full.
 8. Payment does not constitute any acknowledgement that the deliveries or services comply with contractual terms.
 9. A claim may only be assigned with the written permission of IDS – which shall not be unreasonably withheld.
- #### IV. Delivery period and delay in delivery
1. The delivery period stipulated in the order is binding. The delivery periods run from the date of confirmation of order. Receipt of the goods at the place of receipt or use indicated by IDS is decisive for compliance with the delivery deadline or delivery period.
 2. The Supplier undertakes to notify IDS unhesitating in writing of any circumstances that might arise or become known to it in light of which it appears clear that the delivery period set down cannot be adhered to.
 3. In the event of delay in delivery, IDS may require, per each complete day of delay, a contractual penalty in the amount of 0.2% of the contract value, up to a maximum, however, of 5%. Further legal claims remain reserved. IDS undertakes to notify application of the contractual penalty at the latest with payment of the final invoice. The contractual penalty shall be set off against any damages for delay.
 4. Acceptance of a delayed delivery has no explanatory power. More specifically, it shall not constitute waiver of any claims based on delayed delivery.
 5. If the agreed delivery period is not adhered to, after expiry of an appropriate grace period, IDS may cancel the contract without prejudice to further legal claim. Where the Supplier is responsible for the delay, IDS may, at its discretion, require compensation for the losses caused to it by the delay or, after expiry of the above-mentioned period, require compensation in lieu of delivery or compensation for wasted expenditure loss.
 6. Where delivery is made in advance, IDS may return the goods received too early at the expense of the Supplier or store these at the expense of the Supplier and make payment based on the value on the delivery date agreed upon.
- #### V. Transfer of risk – Documentation
1. IDS shall only accept partial deliveries after express agreement. Agreed partial deliveries shall be accompanied by itemisation of the goods remaining to be delivered.
 2. Goods must be accompanied by a single copy delivery note, which shall contain precise specifications of the scope of the delivery including item, type, weight and quantity etc., and also the precise order data from IDS. Where the Supplier fails to do so, processing delays cannot be avoided, and IDS shall not be liable for these.
 3. Transfer of risk occurs at the delivery address indicated by IDS. Where the Supplier is required to carry out installation or assembly of the goods at the IDS site, transfer of risk occurs

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only upon operational readiness of the goods at the IDS site.

4. The place of performance for the Supplier's take-back obligation pursuant to Article 4 Packaging Ordinance is the place of handover of the goods.
5. The amount invoiced for packaging, to the extent that the packaging can be re-used, is fully credited upon take-back. The credit is submitted in single copy specifying the invoice based on which the amount was debited.

VI. Examination for defects - Liability for defects

1. IDS undertakes to inspect the goods within an appropriate period for any non-conformity in terms of both quality and quantity; notification of defects is timely insofar as it is received by the Supplier within a period of 10 working days, calculated from receipt of goods, or – for hidden defects – from discovery.
2. In the case of a defect, IDS is fully entitled to its statutory rights, whereby the place of warranty is the specified place of use; IDS may require, at its discretion, the defect be remedied or replacement delivery. Where the Supplier fails to meet its obligation of supplementary performance within an appropriate period in accordance with the option exercised by IDS, or where supplementary performance fails, IDS may claim its rights to a reduction, cancellation, compensation in lieu of

performance or compensation for wasted expenditure loss immediately. Supplementary performance shall be deemed to have failed if an attempt to remedy the defect or a replacement delivery does not lead to a defect-free delivery by the Supplier. The Supplier undertakes to cover all expenses required for the purposes of remedy of a defect or replacement delivery. In addition, IDS may withhold payment proportionately until proper fulfilment.

3. IDS may carry out rectification of the defect itself at the Supplier's expense if the Supplier is in default.
4. The limitation period is 36 months, calculated from transfer of risk, unless the mandatory provisions of Articles 478, 479 German Civil Code apply.

VII. Product liability, indemnification and liability insurance cover

1. Insofar as the Supplier is responsible for a product defect, it undertakes to indemnify IDS against claims made by third parties upon its first request to this respect, if the cause of the defect is within the scope of the Supplier's control and organisation and the Supplier is liable to third parties. Additional claims of IDS shall remain unaffected.
2. Within the scope of its liability for damages within the meaning of paragraph (1), the Supplier also undertakes to pay all costs according to Articles 683, 670 German Civil Code or

according to Articles 830, 840, 426 German Civil Code, which arise from or in connection with a recall campaign implemented by IDS. To the extent possible and reasonable, IDS shall inform the Supplier of the content and scope of recall measures to be implemented and provide the latter with an opportunity to make observations. Other statutory rights remain unaffected.

3. The Supplier undertakes to maintain product liability insurance with an appropriate level of cover – lump sum – for personal injury/property damage; where IDS is entitled to further claims for damages, these shall remain unaffected.
4. The Supplier undertakes to provide evidence of such insurance upon IDS so requesting.

VIII. Non-disclosure, confidentiality

1. IDS shall retain property rights and copyright to samples, software, tools, images, drawings, calculations and other offer documentation. The Supplier undertakes to treat all images, drawings, calculations and other documentation and information received as strictly confidential. Such documentation and information may only be disclosed to third parties with the express consent of IDS. They must be used exclusively for manufacturing based on the order from IDS; after the order is processed – at the latest upon termination of the contract – these must be returned to IDS without further request

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- and for no charge. Data must be deleted and destroyed.
2. The non-disclosure obligation also applies after termination of this contract; it expires only if and to the extent that the manufacturing know-how contained in the images, drawings, calculations and other documentation provided becomes general knowledge.
 3. The Supplier must store the documentation and items provided for under Article 8(1) with protection against loss, misuse and damage and with corresponding labelling noting ownership, at its own expense. Storage shall comply with currently applicable legal and commercial guidelines. The Supplier undertakes to insure documents and items provided to it against fire, water damage and theft, at its own expense and with the insured sum being adequate to cover the replacement value. At the same time, the Supplier assigns by now all claims for compensation under such insurance to IDS, which agrees to such assignment.
 4. Products constructed by IDS and/or manufactured, in whole or in part, in accordance with IDS documentation with its know-how and/or with its tools or tools modelled on IDS tools may not be used subsequently by the Supplier, nor offered, supplied or otherwise made accessible to third parties. This shall apply to all orders and associated works.
 5. In particular, the supply relationship must be treated as strictly confidential.

6. Subcontractors are also bound by the obligations pursuant to Article 8(1) to (5).
7. If the Non-Disclosure Agreement between the Parties – where such is concluded – contains provisions which conflict with or supplement the present Article 8, the provisions of the Non-Disclosure Agreement shall prevail over those in Article 8 of these Conditions of Purchase.

IX. Industrial property rights

1. The Supplier is liable to IDS where third-party rights are infringed in connection with its deliveries, whereby the Supplier acknowledges that IDS markets the end products worldwide.
2. Where the delivery contains software, including associated documentation, IDS has, in addition to the right of use to the extent permitted by law (Article 69(a) Copyright Act), the right to unrestricted use within the agreed performance parameters and to the extent required for contractual use of the product. IDS may also create a back-up copy without any further agreement being required. Where the software is manufactured/programmed specifically for IDS, the Supplier must, at the latest upon handover of the software, provide the relevant source code to IDS, and there shall be no separate charge for this.
3. Where a third party makes a claim on such grounds against IDS, the Supplier undertakes to

indemnify IDS against the claim upon its first, written request. IDS may not reach – at the expense of the Supplier – any agreement with any third party, specifically to settle a claim, without the Supplier's agreement.

4. The Supplier's indemnity obligation pertains to all expenses which IDS is compelled to incur regarding the claim asserted by a third party.
5. The limitation period for such claims is ten years, which will start running upon conclusion of the relevant contract.

X. Retention of title, provision and tools

1. Insofar as IDS provides parts to the Supplier, IDS shall retain title thereto. Processing or remodelling by the Supplier is always effected on behalf of IDS. Insofar as the goods subject to retention of title are handled with other item that do not belong to IDS, IDS shall acquire co-ownership of the new item at the ratio of the value of the IDS goods (purchase price plus VAT) to the other handled items when their handling takes place.
2. Where the item provided by IDS is inseparably combined with items that do not belong to IDS, IDS shall acquire co-ownership of the new item at the ratio of the value of the item provided by IDS (purchase price plus VAT) to the other combined items when combined. Where the combination is effected in such a way that the Supplier's item is the main constituent

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of the new article, it is agreed that the Supplier shall assign proportionate joint title to IDS; the Supplier shall hold the sole ownership or co-ownership on behalf of IDS.

3. IDS shall retain title to tools; the Supplier further undertakes to use tools exclusively for production of the goods ordered by IDS. The Supplier undertakes to insure tools belonging to IDS against fire, water damage and theft, at its own expense and with the insured sum being adequate to cover the replacement value. At the same time, the Supplier assigns all claims for compensation under such insurance to IDS, which accepts such assignment. The Supplier undertakes to carry out any necessary maintenance and inspection work and all repair/restoration work on IDS tools at

its own expense and in a timely manner. Any breakdowns must be notified to IDS without delay; where the Supplier fails to do so through its fault, claims for damages remain unaffected.

4. Insofar as the security rights to which IDS is entitled according to (1) and/or (2) exceed the purchase price of all IDS goods subject to retention of title as yet unpaid by more than 10%, IDS undertakes to release security rights upon request of the Supplier and at its discretion.

XI. Place of jurisdiction, place of performance and choice of law

1. If the Contracting Parties are merchants, legal entities under public law and special funds under public law or if at least one of the Contracting Parties

has no general place of jurisdiction in Germany, the exclusive place of jurisdiction – including for actions concerning documents and bills of exchange – shall be the business headquarters of IDS; however, IDS may bring legal action against the Supplier at its statutory place of jurisdiction.

2. Unless otherwise provided in the order, the business headquarters of IDS are the place of performance.
3. The contract shall be governed by the law of the Federal Republic of Germany to the exclusion of conflict-of-law rules and the UN Sales Convention and other agreements in relation to the law on the sale of goods.

Version: October 2017