

General Terms and Conditions of Purchase

As at 1 August 2015

Section 1 Scope

1. These Terms and Conditions of Purchase shall only be applicable vis-à-vis entrepreneurs as defined by Section 310, para. 1 of the German Civil Code (BGB).
2. All orders shall be exclusively subject to our Terms and Conditions of Purchase. Any terms and conditions of the supplier that deviate from the content of these Terms and Conditions are hereby rejected. In the absence of any agreement to the contrary, this shall also apply to all other wording intended for regular use by the supplier, e.g. the "General Terms and Conditions of Business" regardless of the documents in which they appear and in particular where they are not expressly referred to as "General Terms and Conditions of Business" or a similar name.

Section 2 Offer / Conclusion of contract

1. Orders shall only be legally binding if placed in writing. Any verbal orders or changes shall only be effective if confirmed by us in writing.
2. If our order is accepted, the supplier shall send us an order confirmation within one week of the order date.

Section 3 Documents provided / Secrecy

1. We shall retain the rights of ownership and copyright with regard to documents such as calculations, drawings etc. given to the supplier in relation to the order. The supplier undertakes not to disclose these documents to third parties or to make them accessible to them unless we give the supplier our express consent in writing. Such documents shall be used solely for the purposes of production for our order. The documents must be destroyed in accordance with the rules on destroying papers covered by data protection rules if the supplier does not accept our order by the deadline specified in Section 2. If the order is accepted, the documents must be returned to Entrak after conclusion of the order in the absence of any individual arrangement to the contrary.
2. The obligation to observe confidentiality shall continue after performance of this contract even if the order was not accepted. It shall cease to apply if and insofar as the production knowledge contained in the diagrams, drawings, calculations and other documents provided is generally known.

Section 4 Fees and payment terms

1. The price stated in the order shall be binding. In the absence of any written arrangement to the contrary, the price shall include free delivery including packaging.
2. The fee shall be paid upon receipt of an auditable invoice in accordance with the specifications of our order. The supplier shall be required in particular to comply with all provisions of Section 14 et seq. of the German Value Added Tax Act on the invoice. The supplier shall be liable for any consequences of non-compliance with this obligation unless it can prove that it is not responsible.
3. In the absence of any written agreement to the contrary, the fee shall be payable with a 3% cash discount within 14 days of delivery and receipt of invoice, or net within 30 days of receipt of invoice.

Section 5 Rights of set-off and retention

1. We shall have the statutory rights of set-off and retention.

Section 6 Delivery times

1. The delivery date stated in the order shall be binding.
2. If the supplier does not deliver on time, we may assert the statutory claims and in particular after the expiry of a reasonable deadline with no result we may demand compensation instead of performance and withdrawal from the agreement. If we demand compensation, the supplier shall be entitled to prove to us that it was not responsible for the breach of its contractual obligation.

Section 7 Transfer of risk

1. Delivery shall be made free of charge to the delivery address unless agreed otherwise in writing.
2. The supplier undertakes to include an accurate reference to our order number on all shipping documents and delivery notes. We shall not be responsible for any processing delays if this information is missing.

Section 8 Reservation of title

1. We shall retain ownership of any parts that we supply to the supplier. The processing or alteration of such parts will be performed for us by the supplier. If the goods subject to our reservation of title are processed alongside other items that do not belong to us, we shall acquire joint ownership of the resulting product based on the value of our item (purchase price plus VAT) compared with the value of the other processed items at the time of processing.
2. If the goods are mixed with other items that do not belong to us and cannot be separated again, we shall acquire joint ownership of the resulting product based on the value of the goods subject to our reservation of title (purchase price plus VAT) compared with the value of the other items used in the mixing process at the time of mixing. If the mixing takes place in such a way that the item belonging to the supplier can be viewed as the main component, it is agreed that the supplier shall transfer joint ownership

to us on a pro rata basis; the supplier shall store the property of which it has sole or shared ownership on our behalf.

3. We shall reserve the right of ownership of tools paid for by us; the supplier shall be obliged to use the aforesaid tools exclusively for the production of the goods ordered by us. The supplier is obliged to insure at its own expense the tools belonging to us for the value when new against fire, water damage and theft. The supplier is obliged to perform any necessary servicing and inspection work on our tools, as well as all repair and maintenance work on the same, in good time and at its own cost. Any instances of malfunction shall be notified to us immediately; should the supplier culpably fail to do so, this shall not affect the right to claim damages.

Section 9 Warranty and notification of defects

1. We are obliged to examine the goods for any deviations in quality and quantity within a reasonable period of time. A complaint shall be deemed to be timely if received by the supplier within 7 working days from receipt of the goods or, in the case of concealed defects, as soon as the defect is discovered.
2. We shall have full entitlement to the statutory warranty claims. We shall in any event be entitled to demand, at our discretion, that the supplier either remedy the defect or supply a new item. The right to damages, and in particular the right to damages in place of performance, is expressly reserved.
3. Warranty claims, regardless of legal basis, shall expire 36 months after the date on which the goods were delivered. Any longer statutory prescription periods shall remain unaffected thereby.
4. The supplier shall grant a right of access to the client, its customers, and regulatory authorities to the affected areas of its facilities and at every level of the supply chain involved in the order, as well as to all relevant records.

Section 10 Property rights

1. The supplier guarantees that no property rights of third parties are infringed by its delivery of the goods and their use by us. We shall inform the supplier of any claims made by third parties.
2. The supplier shall defend itself against third-party claims at its cost where third parties assert claims against us due to a breach of property rights caused by the supplier's deliveries and performance. For our part we shall not recognise such claims. We reserve the right to commission the supplier to conduct any dispute with third parties during judicial and extra-judicial proceedings. The supplier shall release us upon our first request from all claims resulting from the use of such property rights unless the supplier's deliveries and performance were made and provided exclusively on the basis of our drawing and/or models and the supplier was unaware or could not be expected to know that the provision of the service was in breach of third-party rights.
3. Rights of use that arise in the context of our order shall be transferred to us upon payment.

Section 11 Product liability / liability insurance cover

1. In the event that the supplier is responsible for damage to a product, it shall be obliged to release us from claims for damages made by third parties in this respect on first request to the extent that the cause of the damage lies within its sphere of control and organisation, and the supplier is itself liable vis-à-vis third parties.
2. The supplier shall also be obliged to refund any expenses arising from or in conjunction with any recall on our part. We shall inform the supplier of the content and scope of the recall measures to be performed, to the extent possible and reasonable, and provide the supplier with the opportunity to comment. Other statutory claims shall remain unaffected.
3. The supplier undertakes to maintain product liability insurance. Any further claims to damages to which we are entitled shall remain unaffected. The supplier shall provide us with a copy of the valid insurance policy upon request.

Section 12 Place of performance, place of jurisdiction and applicable law

1. All arrangements entered into between the parties for the purposes of executing these Terms and Conditions shall be recorded in writing in these Terms and Conditions. No additional agreements have been entered into verbally. Any additions or amendments to these Terms and Conditions must be given in writing.
2. The place of performance is the place of our registered office in the absence of any provision to the contrary in the order.
3. The sole place of jurisdiction for all disputes relating to these Terms and Conditions shall be the court responsible for the place of our registered office. We may however also take legal action against the supplier at the place of jurisdiction for its registered office.
4. The law of the Federal Republic of Germany shall apply. Application of the UN law on the sale of goods is excluded.
5. In the event that one or more provisions of these Terms and Conditions should prove to be or become ineffective in full or in part, or should there be a gap in the provisions, the validity of the remaining provisions shall not be affected as a result. The parties undertake to replace the ineffective clause with a new clause that comes as close as possible to the economic purpose of the invalid or missing provision and that is legally effective.