

Section 1 Area of Application

These purchasing conditions for orders of Freudenberg IT GmbH & Co. KG (FIT) shall apply, unless expressly specified otherwise in writing, for all orders, purchasing contracts and contracts issued to the supplier by FIT, its affiliated company FIT Service GmbH and its legal successors, where applicable. They shall also apply to the future business relationship with the supplier, even if they have not been expressly agreed again.

Deviating General Terms and Conditions and other conditions of the supplier are hereby expressly opposed or are only binding for FIT insofar as they correspond to its own General Terms and Conditions or FIT consented to them in writing. Acceptance of deliveries or services or the making of payments shall not be interpreted as such consent.

Section 2 Conclusion of Contract

The supplier shall submit its offer in accordance with the request from FIT. Deviations must be explicitly indicated. The offer shall be free of charge and non-binding for FIT.

A contract between FIT and supplier is concluded if (i) FIT has accepted the services offered by the supplier via written declaration or (ii) the supplier has accepted FIT's written purchase order via written order confirmation or by service delivery.

If FIT does not receive supplier's order confirmation within two (2) weeks after the supplier received the purchase order, as a result, FIT may cancel the order without incurring cancellation costs.

Verbal agreements, amendments and additions shall only be binding for FIT if and to the extent that they are expressly agreed in writing by FIT. Agreements with representatives shall only become legally valid if they are confirmed by FIT in writing.

Section 3 Extended Written Form

Written documents in particular but not limited to purchase orders, contracts and order confirmations shall be considered equal to automatically generated documents, which are created electronically by ordering systems/ERP-systems. Such documents are marked with the notation "This document is done automatically and is valid without signature.". The dispatch of such automatically generated documents can be done by the system itself or via email with the document attached in pdf format. For automatically generated documents as well as for the order confirmation and the acceptance of a purchase order by email from the supplier, the parties agree that the written form requirement according this section is met.

Section 4 Nature, Scope and Change in Performance

1. The scope of services shall be determined by the order and these purchasing conditions. Unless otherwise agreed, the following applies to orders placed by FIT in this order:

- The order and within the order:
 - the service description that it contains
 - general technical conditions in the order
- These purchasing conditions of FIT.

2. If instructions for use, operation or other documentation are required, they are to be included in German or English with every service to be rendered, unless otherwise agreed.

3. FIT may demand subsequent changes to the nature of the agreed services.
4. In the event of a change request by FIT in accordance with Section 4, Number 3, the supplier shall notify FIT in writing within ten working days whether the change is possible and how it impacts the order, in particular taking into account additional or reduced expenditures, new prices and possible deadline changes. FIT shall notify the supplier within a period of ten working days whether a new agreement under the conditions based on the change request will be concluded or whether the existing order will continue to be executed.
5. During or before the review of the change request by the supplier, FIT shall notify the supplier whether the service is to be continued according to the existing order or suspended pending a final decision on the suggestion.
6. The supplier shall immediately submit a detailed written suggestion regarding necessary deviations from the performance of the service prescribed in the order, in particular, technical changes. They are only permitted if FIT consented to the deviation in writing. This also applies if the planned deviation does not result in a change in price.

Section 5 Place of Performance, Delivery, Shipping, Passing of Risk

1. The place of performance shall be the delivery address of FIT provided in the order. The most cost-efficient transportation means for FIT are to be selected, unless specific transport regulations were explicitly agreed. The deliveries shall be packaged in such a way as to avoid transport damage.
2. Each service provided must be documented by a performance record (service report, delivery confirmation, acceptance certificate), which must contain the order reference/order number and must be signed by an authorized FIT representative or approved by alternative FIT processes (e.g. electronic workflow and approval systems). In addition to the shipping address, the order information (order number, order items, order date, place of delivery, first name and surname of the recipient, where applicable, and FIT material number) must be specified in the transport papers.
3. The supplier shall observe the current state of the art and the applicable legal and regulatory provisions and FIT's company rules and regulations. Where applicable, the supplier shall keep a quality assurance system, for example, in accordance with DIN EN ISO 9001-9003. FIT shall be entitled to check the system after consultation with the supplier.
4. Costs associated with the misrouting of deliveries shall be borne by the supplier insofar as the misrouting is attributable to the supplier.
5. The supplier may supply partial deliveries/services only with written consent from FIT. The requirement for the written form outlined in this section shall be satisfied by transmission using fax or electronic means.
6. Partial deliveries of servers and other complete systems (desktops, laptops, etc.) shall be fundamentally excluded.
7. The risk shall pass to FIT upon delivery. The legal provisions for the passing of performance risk shall also apply, unless otherwise agreed.

Section 6 Costs, Invoices, Payment

1. The transport and standard packaging costs shall be borne by the supplier, unless otherwise agreed.
2. If the price was offered ex works or ex the supplier's distribution warehouse, the most cost-efficient mode of transport is to be selected, provided FIT has not specified a mode of transport. Any additional costs due to noncompliance with transport provisions shall be borne by the supplier. FIT shall be entitled to determine the mode of transport, insofar as the price was specified as carriage paid to the destination. Any additional costs that arise as a result of accelerating transport to comply with a specific delivery deadline shall be borne by the supplier.
3. Invoices must contain the purchase order number and the numbers of all individual items. A duty of payment shall only exist when this information and delivery proof is complete. Copies of invoices and partial invoices shall be marked as such.
4. The following payment conditions shall apply, unless otherwise agreed:

Payment shall be made net within 60 days.
5. The respective payment periods shall be calculated from the date the deliveries or services have been provided in full and a correctly issued invoice has been received. The above discounts also apply if FIT sets off payments against claims or withholds an appropriate part to the payment due to detected defects. The discount periods shall be calculated from the date of the remedying of said defect.
6. Settlement of a payment shall not be considered implicit acceptance of the respective delivery or service.

Section 7 Delivery Time and Performance Period

1. The delivery deadlines stated in the order or service are fixed deadlines, unless expressly agreed otherwise. The supplier is obliged to immediately inform FIT in writing if circumstances arise or become apparent that indicate that the stipulated delivery time cannot be met.
2. The supplier shall inform FIT of foreseeable delays or potential violations of the deadlines in writing, stating the reasons, insofar as these are known to him.
3. In the event of any cause, for which the supplier is not responsible, that impairs the fulfillment of the contract, the supplier may reschedule the deadlines affected, provided the cause originates with FIT.
4. In addition, Section 13 shall apply.

Section 8 Subcontractors

1. The use of subcontractors and freelance employees (representatives) requires the prior written consent of FIT.

This shall also apply if the company responsible for the performance of the service belongs to the same group as the supplier or if the supplier is involved in the company. The supplier shall impose on the representative all its obligations that it has agreed to under the agreement with FIT regarding the assumed tasks and ensure their compliance.

2. The supplier may not prevent its representatives from concluding agreements for other deliveries/services with FIT.

Section 9 Inspection and Notification Obligation

FIT shall examine the goods upon delivery for obvious defects only (type, amount of any transport damage, other outwardly visible damage). In addition, FIT shall be freed from the inspection and notification obligation pursuant to Section 377 of the German Commercial Code (HGB). Insofar as an inspection and notification obligation pursuant to Section 377 of the German Commercial Code applies, the term for notification of a discovered defect shall be a minimum of ten working days from discovery of the defect.

Section 10 Acceptance

1. Confirmation of receipt of products by FIT at the time of delivery shall not constitute acceptance of the goods.
2. The products must conform to the descriptions, characteristics and specifications outlined in the order or agreement as well as all of the relevant health and safety regulations and satisfy all other legal or other provisions.
3. The supplier shall conduct random checks in order to ensure that the products conform to the relevant industry standards and satisfy the quality requirements of FIT or correspond to other standards agreed between the parties.
4. Partial acceptances may be agreed, depending on the nature of the service. FIT reserves the right to full acceptance.

Section 11 Material Defects and Defects of Title

1. The supplier shall warrant that the service complies with the agreed performance specifications or, where no such performance specifications have been agreed upon, that they will be suited for the contractually foreseen or commonly assumed use and that they are of a quality usual for deliveries and services of this kind and that the purchaser may expect, and that the rights of third parties shall not obstruct the transfer of the agreed competence to the client (Section 17).
2. FIT shall be entitled to the full statutory warranty claims. The period of limitation for statutory warranty claims shall expire within 24 months following transfer/acceptance of the service, unless the law prescribes longer time limits. The warranty period shall be extended by a period equal to the period during which the service cannot be used as intended due to the defect.
5. If the delivery item is resupplied, fully or partially repaired or replaced, the warranty period for the new, replaced or fully or partially repaired item begins again.

Section 12 Liability

1. The liability of the supplier shall be in accordance with statutory provisions. The supplier shall indemnify FIT against all claims by third parties that arise for FIT due to the services of the supplier or insufficient performance by the supplier, as well as the associated costs and expenditure. FIT shall inform the supplier in good time of the assertion of claims by third parties and not make any payments or recognize claims without prior consultation.

2. The supplier shall ensure that the supplier itself, all legally contracted subcontractors (hereinafter 'subcontractor chain') and any workers employed by these authorized distributors are paid the applicable minimum wage according to the German Minimum Wage Law. In addition, the supplier shall confirm that its company and the companies it engages in the subcontractor chain are not excluded from being awarded public contracts pursuant to Section 19 of the German Minimum Wage Law.

FIT shall be entitled, while reviewing the supplier's offer, to demand without a specific reason the submission of current pay slips for the employees engaged by the supplier and subcontractor chain in an anonymized form (salary and wage lists). The supplier may submit proof of compliance with the German Minimum Wage Law to FIT itself and along the subcontractor chain upon request by immediately presenting current confirmation from a suitably objective expert (such as an auditor).

If a liability claim is asserted against FIT by an employee of the supplier of the subcontractor chain due to an actually existing entitlement to compensation pursuant to the German Minimum Wage Law, the supplier shall be obliged to pay a contractual penalty in the amount of €250 on first demand for each claim. The contractual penalty to be paid will be charged against any claim for compensation by FIT and shall be limited to a maximum of ten percent of the respective value of the contract and a maximum of €25,000 per calendar year. The obligation to pay the contractual penalty shall not apply if the supplier is not at fault, where the burden of proof rests with the supplier.

If a liability claim is asserted against FIT by an employee of the supplier of the subcontractor chain due to an actually existing entitlement to compensation pursuant to the German Minimum Wage Law, FIT shall be entitled to terminate the order for exceptional reasons and thereby without notice pursuant to Section 1.

The supplier is obliged to release FIT from any claims made by third parties against FIT in the context of violations of the German Minimum Wage Law on first demand. However, this shall not apply if FIT and/or employees or vicarious agents of FIT in this particular case demonstrably violated the provisions of the German Minimum Wage Law by willful or gross negligence.

Section 13 Default

If the supplier is in default with a delivery or service for reasons within its responsibility, FIT may demand a lump-sum compensation payment for delay per full week of the delay of 0.5 per cent, maximum 5 per cent, for the remuneration to be paid for this delivery or service after the expiry of a one-week extension period, provided FIT credibly establishes that it suffered loss as a result. Further claims for damages resulting from default shall not be excluded.

If the supplier is in default with a delivery or service for more than four weeks, FIT shall be entitled to withdraw from the contract and reclaim all payments made until that time to the exclusion of further claims.

This right of withdrawal shall not affect the claim of FIT for a lumpsum compensation payment for delay or a higher claim for damages pursuant to Sentence 1 of this section.

The supplier retains the right to prove that no damage has occurred or that the damage is substantially less than the lumpsum amount.

Section 14 Insurance

1. The supplier shall take out appropriate insurance with adequate asset funding and minimum cover of €1.5 million per damaging event for the duration of the contractual relationship. The supplier shall demonstrate evidence of a respective insurance policy to FIT upon request. Levels of cover lower than the minimum cover must be agreed with FIT in the individual case.
2. The supplier shall also insure all shipments directly delivered to FIT (such as deliveries due to purchasing contracts, contracts for work and materials, maintenance orders or custom products). The supplier shall bear the premiums for such indemnity insurance or other internal insurance.

Section 15 Data Protection

1. The supplier agrees that FIT stores and processes personal data of the supplier and transmits it to companies in the Freudenberg Group, provided that this is required to fulfill and complete the order. FIT observes the EU General Data Protection Regulation (GDPR).
2. Insofar as the supplier has to process personal data for its work on the subject matter of the contract, the supplier shall observe the GDPR, agree on data backup measures with FIT and enable FIT to convince itself regarding compliance with this agreement. The conditions that are to be laid down in writing pursuant to Article 28 of the GDPR will, if necessary, be regulated in a separate document.
3. The supplier shall impose an obligation in accordance with Sections 18.1, 18.2 and 15.1 on employees of its company who are involved in the performance of the contract and third parties involved in the performance of the contract.

Section 16 Assignment Prohibition

Assignments by the supplier outside the scope of application of Section 354a of the German Commercial Code shall be excluded; exceptions shall require the written consent of FIT to be effective. FIT shall only deny consent to an assignment for financing purposes with just cause.

Section 17 Rights

1. The supplier renders the service under its own responsibility in accordance with the order. The supplier guarantees that the delivery or use of the items supplied and/or manufactured work does not infringe upon any patents or third-party proprietary rights.
2. In the event that specifications stipulated by FIT in the service description, associated drawings, technical specifications or other documents to define the service could lead to the infringement of commercial proprietary rights, the supplier shall be obliged to immediately inform FIT and otherwise indemnify FIT against all claims by third parties brought against FIT due to the infringement of these rights.
3. FIT shall hold the exclusive and comprehensive property rights and copyrights to all figures, drawings, calculations and other information provided to the supplier for the manufacture of the delivery/performance object by FIT or third parties

commissioned by FIT or those produced or developed by the supplier in the course of the formation and execution of the order.

Section 18 Confidentiality

1. All information that has been designated as confidential by a contractual partner in writing or orally, in particular, documents, drawings, knowledge or other trade and business secrets, must be treated as confidential by the other contractual partner and only used for the purpose of fulfilling the order. This confidentiality obligation shall not apply to information

- that has entered in the public domain without the fault of the receiving party;
- that was demonstrably known to the receiving party when it was disclosed;
- received by the receiving party from a third party;
- where disclosure was required by an authority;
- based on knowledge gained independently from information of the other contractual partner.

2. In the event that the supplier was provided with documents, software and/or programming codes, information or other resources, these objects shall remain the property of FIT and may only be used to execute the corresponding order.

The supplier shall not be entitled to reproduce, disclose to third parties or provide the content to unauthorized parties without prior consent from FIT. The documents, software and/or programming codes, information or other resources provided by FIT must be returned to FIT voluntarily after the work has been completed or after expiration of a subsequent maintenance agreement including all copies made and software copies provided by FIT to the supplier to complete work must be destroyed. FIT may demand a corresponding letter of representation.

3. The confidentiality obligation shall apply after the end of order for a period of three (3) years after termination.
4. The supplier shall not derive any rights, in particular, rights of prior use, from knowledge gained from the information, documents etc., particularly in respect of applications for property rights, inventions or other protected knowledge from FIT, regardless of the deadlines provided in patent laws.

Section 19 Publication/Advertising

Any assessment or announcement by the supplier of the existing business relationship with FIT in publications or for advertising purposes shall only be permitted with FIT's explicit prior written consent.

Section 20 Ending of the Agreement, Termination

1. In the event that an order is terminated prematurely, the supplier shall only receive the agreed remuneration for the individual services rendered and accepted by FIT until receipt of the notice of termination/withdrawal. In the event of termination by FIT with just cause attributable to the supplier, only the individual services rendered until receipt of the

termination and utilized by FIT will be remunerated to the supplier. Further supplier claims shall be excluded. Rights of FIT from the premature termination of the order attributable to the supplier, in particular claims for compensation and additional expenditure shall remain unaffected. FIT shall acquire all rights to the remunerated partial services in accordance with Section 17.

2. FIT may withdraw from the agreement or terminate the agreement with immediate effect
 - if the supplier violates the obligations in Sections 4, 15, 17 and 18 of these purchasing conditions;
 - if insolvency proceedings are instigated on the assets of the supplier or the petition was denied due to a lack of assets corresponding to the costs of the proceedings or if the supplier discontinues its payments or services not only temporarily. FIT shall be entitled to withdraw from the contract in a court of law upon receipt of an application for the instigation of insolvency or similar proceedings.
3. Commissioning with work (Section 631 of the German Civil Code) or work delivery services (Section 651 of the German Civil Code) may be terminated by FIT at any time until completion of the work or work delivery pursuant to Section 649 of the German Civil Code. The provisions outlined in the preceding sections shall apply by way of derogation from the consequences of termination regulated by law.
4. FIT may withdraw from ordering deliveries at any time with just cause until the delivery is transferred. In such event, the above clauses shall apply accordingly.

Section 21 Final Provisions

1. The contract language is German. German law shall apply. Commercial clauses shall be interpreted in accordance with current Incoterms.
2. Insofar as the supplier is a business entity in the sense of the German Commercial Code, a legal entity governed by public law or a special fund under public law, the place of jurisdiction for all disputes arising from the contractual relationship shall be Weinheim, Germany. FIT shall be further entitled to bring action before the court that has jurisdiction over the supplier's place of business.
3. If the supplier is based abroad, German law shall apply without giving effect to the principles of conflict of laws and with the exception of the United Nations Convention on Contracts for the Sale of Goods (CISG). Commercial clauses shall be interpreted in accordance with current Incoterms.
4. FIT has the right to assign all rights and obligations from the contractual relationship with the supplier to an affiliated company in accordance with Section 15 of the German Companies Act.
5. Amendments to contractual agreements must be made in writing. No additional verbal agreements have been met.

Freudenberg IT GmbH & Co. KG

Weinheim, Germany

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