

3. Vision Electric Super Conductors GmbH General Terms and Conditions of Purchase

Date: August 2016

Scope

These terms and conditions of purchase shall govern exclusively all offers, deliveries, and services provided to us by suppliers. They shall be part of any individually closed agreement. Individual contractual arrangements precede these general terms and conditions of purchase.

Our terms and conditions of purchase shall take precedence over any terms and conditions by the supplier.

Purchase orders and acceptance of purchase orders

Purchase orders are issued solely in writing. Purchase orders without pricing shall be binding only after we have confirmed in writing the price quoted by the supplier. All properties of samples and specimens provided by the supplier shall be mandatory for subsequent deliveries. The supplier must confirm our purchase orders within five workdays failing which our order shall be no longer binding.

Contractual amendments and cancelation

We reserve the right to change, until three calendar days before the due date of delivery and by written notification to the supplier, the time, place, and packaging of deliveries. We shall refund additional costs resulting from such changes if reasonable and demonstrable. In case such changes of product specifications are deemed infeasible to perform in the supplier's normal production and business operation and thus result in delayed delivery, the initially agreed date of delivery shall be rescheduled accordingly. The supplier shall be obligated to inform us of additional costs and rescheduled dates of delivery in writing, without delay, and by no later than three days after receipt of our message.

Prices, terms of payment, referencing of correspondence

Prices quoted in our purchase orders are binding. The marked price is inclusive of all necessary ancillary services such as assembly and fitting as well as additional cost e.g. for packaging, delivery, and shipment to the contractual point of delivery. Unless negotiated specifically, prices for packaging and shipping shall be invoiced in the amount of demonstrably incurred costs.

Upon receipt of fault free goods or services, correct invoicing, and all documents required we shall pay invoices within 14 days of receipt at a cash discount of three percent or within 60 days net. We do not owe due date interests. In case of delay of payment the supplier shall be obligated to send a written reminder.

A delivery note must be enclosed in every delivery and individually for each order. In case of delivery to a third party the supplier shall be obligated to convey to us without delay a copy of the delivery note. Every delivery note, order confirmation, invoice, and package must be marked to indicate the supplier, our order number, item number, and reference number as well as a detailed description of the kind and quantity of goods delivered.

Delivery time and delivery, transfer of risk

Delivery dates or periods of delivery and delivery addresses as stated in our purchase order or order confirmation are binding. Specifications of delivery dates shall without exception refer to the date of receipt and not the date of shipping. Delivery periods shall commence at the order date. All part deliveries, overdeliveries, and underdeliveries shall be subject to our approval. Cash on delivery consignments shall be accepted only on condition of our previous agreement. Deliveries must be free or, if otherwise agreed, at the most favorable shipping rates if at all possible.

The supplier assumes the procurement risk for its services. The provision of services on the part of any third parties or subcontractors is subject to our written consent. The supplier shall bear all costs arising from nonobservance of our purchase terms and conditions or delivery address.

In case of non-compliance with contractual delivery dates, the supplier shall default irrespective of whether or not a complaint is issued by our side.

In case of default of services or delivery, we are entitled to invoice —irrespective of any compensation—a contractual penalty in the amount of 0.5% of the gross order value per week or part thereof, but not exceeding a total of 10% of the gross order value.

Risk is transferred according to the current version of Incoterms.

Ownership protection

We retain the property or reserve the copyright of commissions, purchase orders, and order confirmations, as well as drawings, images, calculations, descriptions, and other documents provided to the supplier. The supplier shall be obligated to neither pass such material on to third parties, nor disclose it, nor use it in person or through third parties, nor copy it without our written consent. The supplier shall be obligated to return such material and possible copies in full at our first request once they are no longer required in the normal course of business.

Warranty claims

The warranty period for deficiencies is 24 months at the minimum. Our incoming inspection is limited to faults which become apparent in the course of outward inspection of consignments and shipment notes or in the course of random quality checks. Complaints about quality and quantity deviations shall be deemed notified in good time if issued within 30 workdays after receipt. We do not renounce warranty claims by accepting or approving samples and specimens provided to us.

Product liability

The supplier shall be obligated to comply with all contractual specifications and relevant technical and other regulations (including DIN, VDE, etc.).

The supplier shall be obligated to take out product liability insurance with a cover level of at least 10,000,000 Euro per person/property damage. The supplier shall on our first request forward to us a copy of the liability police.

Property rights

All deliveries and services provided must be free and clear of any third party rights

Spare parts

The supplier is obligated, to keep spare parts for products delivered to us available for at least five years after delivery.

In case plans are made to discontinue production of any spare parts for products delivered to us, the supplier shall be obligated to notify us without delay once such decisions are made. Decisions to discontinue spare parts production must be made at least six months before production is terminated.

Nondisclosure

The supplier is obligated to keep secret and utilize only for order fulfillment our purchase terms and conditions, purchase order confirmations, and any information and documentation provided by us for such purpose. Further, the supplier is obligated to return on our first demand any such documents once requests for quotation have been processed or purchase orders fulfilled. The supplier is not allowed to reference our business relation in marketing materials, brochures, websites, etc. or to exhibit items produced for us without our written consent.

The supplier obligates his employees and subcontractors according to this nondisclosure agreement.

Assignment

The supplier is not entitled to assign its receivables arising out of this contract to third parties without our written consent. This does not apply for monetary claims assigned in purpose of funding according to customary banking practice.

Place of Performance, Applicable Law, Place of Jurisdiction, Translation, Severability Clause

The place of performance for all deliveries and services provided to us is the delivery address or service address as stated by us. The place of performance of payments is our head office.

All agreements concluded between us and the supplier shall be governed by the law of the Federal Republic of Germany excluding the United Nations Convention on Contracts for the International Sale of Goods.

Place of jurisdiction is the place of business of the defendant.

We provide an English translation of our terms and conditions for information purposes only. Solely the German version of these terms and conditions shall be valid and binding.

In case any regulations of this terms and conditions are found invalid or unenforceable, this shall not affect the validity and enforceability of the remaining regulations.