PAUL VAHLE GMBH & CO. KG

GENERAL PURCHASING TERMS AND CONDITIONS

PAUL VAHLE GMBH & CO. KG - General Purchasing Terms and Conditions as of December 2017

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§ 1 Contract agreement / Written form / Compensation of proposals / Changes

1. We, PAUL VAHLE GMBH & CO. KG ("VAHLE" hereafter) will place orders based on VAHLE's General Purchasing Terms and Conditions (*"GenPTC"* hereafter). These *GenPTC* of PAUL VAHLE GMBH & CO. KG are valid for all – including future – orders for materials and services and the processing thereof. Business stipulations, which diverge from the *GenPTC* and any other diverging agreements, will only be valid when they have been expressly acknowledged in writing. Should VAHLE receive deliveries or services without explicitly expressing objections then this may be in no case construed that VAHLE has accepted or recognized any stipulation of a supplier. Neither our silence nor acceptance of a service or its payment may be construed as recognition or acceptance.
2. Orders, agreements and changes are valid only if submitted or confirmed by VAHLE in writing. Verbal or arrangements by Telephone to be legal always require our written confirmation. The same is true for secondary verbal agreements and changes to a contract. Orders, on call agreements and changes thereof as well as additions may, if desired by VAHLE, transmitted by data transmission, e.g. coded electronic mail (e-Mail), FAX transmittal or by machine readable data carrier.
3. Contracts pertaining to material which is USML (United States Munitions List) listed ("*USML ware"* hereafter) and therefore controlled by ITAR (International Traffic in Arms Regulations) are principally not entered into by VAHLE. This is already evidenced by an explicit note regarding *USML ware* with all VAHLE orders. An exemption to this provides that contracts including *USML ware* may be considered binding only when the order is submitted by VAHLE **a)** in written form, **b)** personally signed by VAHLE internal export control (i.e. the export control and Customs duty administrator) <u>and</u> VAHLE management [i.e. PAUL VAHLE Verwaltungs GmbH HR B 4495 represented by its Managing Director(s)] and **c)** that the order explicitly and clearly points out the fact that VAHLE agrees with being supplied with *USML ware*. When these specific conditions have not been met, the contract for *USML ware* is invalid. VAHLE is not obligated to accept delivery, nor exists – even if the delivery has been accepted – a demand for payment against VAHLE for such deliveries.
4. When delivering Dual-use ware within the EU, you as the manufacturer/supplier must note Dual-use ware in all pertinent documents. You are also obligated to submit this information with your offer in advance for each of the material positions indicated. Contracts for Dual-use ware are valid only when an order or acceptance is issued in written form and personally signed by VAHLE Purchasing <u>and</u> VAHLE internal export control (i.e. export control and Customs duty administrator). Contrary statements as per No.2. above are – even in writing - up to this point in time not valid. Violation of the information obligation pertaining to Dual-use ware makes the manufacturer/supplier fully liable for direct and indirect damages and expenditures resulting to VAHLE.

§ 2 Pricing / Shipping / Packaging / Transfer of risk / Safety data sheet

1. Insofar that no other specific agreements exist, the listed prices are fixed prices, excluding any value added tax at the locally existing rate as well as in the case of import deliveries including Customs duty, but excluding import tax. Charges for packaging and transportation to the destination address or other receiving or processing address as provided by VAHLE are included in the listed prices.
2. Every delivery must have at least two copies of the delivery ticket which precisely details the delivery according to type, quantity and weight. Additionally, all delivery tickets, freight bills, invoices and all correspondence must include the with our commission or order listed numbers, especially the VAHLE order number and further, as far as these have been furnished, VAHLE component or material number, charge number and position number.
3. VAHLE must receive without prompting and free of charge all required documentation (in English/ German), suitable for copying, pertaining to possible commissioning, operating, maintenance and repair of the material at hand. Especially test protocols, tools, drawings, layouts, operational instruction manuals and repair instruction manuals must be included.
4. Shipping will be – if not agreed otherwise – at the risk of the supplier. The danger of increasing risk, by chance up to a total loss of the contract matter remains with the manufacturer/supplier until shipment has been received at the VAHLE stipulated shipping address, or respectively the VAHLE designated receiving or processing facility.5.Materials and items, (e.g. technical apparatus or parts thereof) which because of their nature, their specific features or condition, danger to injury of life, body or health of humans cannot be ruled out, or respectively, a risk for the environment or goods may exist and therefore require by regulation specific treatment regarding packaging, transportation, storage, human contact or hazardous waste containment must proceed as follows: together with the offer, or very latest with the start of delivery, according to legal regulations the manufacturer/supplier must submit a fully completed safety data sheet (e. g. VO [EG] No. 1907/2006 [REACH]) as well as the pertinent accident fact sheet (for transportation). In case of change of materials or based on legal requirements, updated data and fact sheets must be made and submitted to VAHLE as quickly as possible.

§ 3 Invoicing / Payment / Receivables settlement / Assignment of receivables

1. VAHLE requires that the manufacturer/supplier issues a separate invoice for every order or service performed and submits it always electronically by e-Mail (electronic invoice / e-Invoicing). For electronic invoice submittal VAHLE has installed the following e-Mail address: vahle.invoices.germany@vahle.de. Unless a specific agreement exists that deviates from e-Invoicing, invoices will be recognized only when submitted electronically to the e-Mail address above.
2. With import shipments the manufacturer/supplier is required (in addition to the electronic invoice by e-Mail as stipulated in No. 1 above) to include with the shipping documents two copies of a standard paper invoice, in English, for Customs purposes.
3. Contained in your invoice must be the VAHLE order identification numbers, especially the order number and additionally, if given, VAHLE parts or material numbers, charge and position numbers. Invoices which are incomplete, incorrect or do not conform with these requirements are deemed to be valid only after a corrected version has been received.
4. Please note at the invoice if this is a monthly shipment or service performed. Partial invoices must also be identified as such. Invoice payment, if there is no other agreement, occurs either within 30 days after receipt of a particular invoice with a 3% discount or within 60 days after receipt of invoice with payment of our choice.
5. Payment and discount schedules will start on the receiving date of a correct and valid invoice as with Nos. 1.-3. above of these *GenPTC* and never before reception
   a) of material, respectively service performed, not bevor acceptance and, if documentation, test certificates (e. g. factory reports) or similar documents are included in the scope of supply, not before the contractually stipulated transfer to VAHLE has occurred and not bevor reception and transfer of
   b) the with § 1, No. 4., § 4, Nos. 1.- 4. *GenPTC* noted information and documentation to VAHLE.
   Payment will proceed subject to correct contract fulfillment and error free pricing and arithmetic. Defective material and/or service performance give VAHLE the right to retain commensurately payment until the deficiency has been corrected.
6. Maturity interest may not be charged by either contract partner. Default interest amounts to 5 basis points above the base interest rate. VAHLE reserves the right to submit evidence that a lower as the requested default damage has occurred.

7. Without VAHLE's previous written agreement, which may not be unfairly withheld, the manufacturer/supplier is not entitled to sell receivables or have these collected by a third party. Should the manufacturer/ supplier contrary to the previous sentence decide to involve a third party, this action will be valid. VAHLE however, at its choice, may act with freeing effect against the originator or third party.

§ 4 Custom duties / Origin / Export control

1. As manufacturer/supplier you are obligated to furnish VAHLE in written form with every order and shipment the following information:
   a) the Customs tariff number according to the Commodity index for export statistical requirements;
   b) the IHK (Industrial Chamber of Commerce) country of origin (not preferential) in accordance with Article 59-61 Customs codex EU (UZK) in form of an IHK declaration and/or a free of charge Certificate of Origin (UZ) <u>or</u>
   c) with preference favored materials the issuance a long term/sole supplier declaration (for each material number or an EUR.1/declaration of origin.
2. We assume that the material listed with our order <u>is not</u> recorded in the VO appendices (EG) No. 428/2009 (EG dual use VO) as well as the actual appendix AL of the Export Industry decree (Export List). We also assume that the material does not contain precursor components of US American origin, respectively not a direct product of US American software or technologies. Otherwise you are with the acceptance of a VAHLE order obligated to submit to VAHLE as soon as possible – latest with delivery of the order – the fully completed VAHLE fact sheet A 'Export control declaration of the supplier', available at VAHLE Purchasing. Alternatively, manufacturers/suppliers may use their own declaration fact sheet.
3. Additionally, for Customs purposes, the supplier must include with the shipping documents two paper copies of a standard invoice and delivery ticket in English. Deviations from this requirement must have previous written approval. Invoices for deliveries subject to Customs duty must have listed separately: **(a)** material cost and, adjacent **(b)** costs not included in price (e. g. commissions, brokerage charges, licensing charges, tooling cost, VAHLE supplied items), **(c)** installation and freight charges, **(d)** value of repairs with material and wage cost. With 'Free of Charge' shipments a value must also be indicated for each position item with description 'For Customs purposes only / Nominal value for Customs clearance only'. Moreover, the reason for 'Free of Charge' must be noted on the invoice and delivery ticket (e. g. Free sample shipment). The material will be supplied – if there is no other agreement – within 'Customs free transit'. VAHLE should receive the original Customs declaration ahead of the delivery date for verification, latest with reception of shipment. Likewise, Customs tariff numbers as well the specific material values (payable/free of charge), precise description of material at each position and the with Nos. 1. and 2 of this **§ 4** cited additional documents for material, Certificate of origin and export control must be included. Otherwise VAHLE is not obligated to accept the delivery/material.
4. If your product requires certification, especially but not exclusively UL (Underwriters Laboratories), FCC (Federal Communications Commission), EAC (Eurasian Conformity), CCC (China Compulsory Certificate), the manufacturer/supplier is obligated to submit to VAHLE the respective documentation at his expense (at the very latest when shipment will be received).
5. As VAHLE supplier you guaranty supply chain security and pay attention to the legal requirements. VAHLE has specific security standards within its organization as well as its supply chain to maintain national, supranational and US enactments with customers having 'Authorized Economic Operator (AEO)' status. Specifically included is the prohibition of business contacts (i.e. making available directly or indirectly money or economic resources) to a) terroristic organizations or persons, respectively b) persons and/or organizations listed in any 'Sanctions list'. You as our supplier is also obligated to conform with the previously noted enactments. To assure supply chain security you are, a. o. obligated that
   a) products which are manufactured on VAHLE's order or at the order of an authorized economic operator (AEO) must be produced, stored, transported to these, delivered and received by these at secure manufacturing facilities or transfer sites, to manufacture, to store, to be processed or loaded and during manufacturing, storage, processing, loading and transportation, to be secure from unauthorized access;
   b) you only employ reliable personnel for manufacturing, storage, processing, transportation and receiving of such products;
   c) any business associate who will be employed as sub-contractors/sub-manufacturers must be obligated as well to adhere to supply chain security and observe all pertinent legal requirements including these here at No. 5.

§ 5 Due dates / Delays / Orders / Force majeure / Extended performance impediments / Insolvency

1. Contractually agreed upon due dates and delivery terms are binding. Governing the compliance with due dates and delivery terms is the delivery receival date at the VAHLE stipulated receival or processing location. For timely execution of performance, a fully and completely transferable delivery of the product or contract subject is required. Including the transfer of all legally required (by laws and enactments) and contractually agreed upon documentation in English/German, such as test protocols, factory certificates, drawings, layouts, conformity certificates, spare parts lists, operating manuals, repair manuals, etc. This documentation must be suitable for copying.
2. As soon as it will be recognized that an agreed to delivery date cannot be met, i.e. that the danger exists that this could happen, it must be at once, including the reasons for the delay and the expected duration for the delay, communicated in written form (e-Mail or FAX) to VAHLE. The manufacturer / supplier will in this case make every effort so that the agreed to delivery date can be met or that minimal delay only will result. Insofar that because of the delay a change of existing dispositions will be necessary, VAHLE will communicate this at once and coordinate measures to be taken. The notification about a possible delay or a possibly occurring delay changes in no case the agreed upon delivery date.
3. Should you fall with your delivery into arrears VAHLE is entitled to assess a contract penalty of 0.5% of the order value for every week which has started, maximum not to exceed 5% of the order value. We reserve the right, even with acceptance of the delayed delivery, to assess the contract penalty at the final payment. Demanding the contract penalty will not negate VAHLE's right of additional compensation for damages. Possible damage compensation will exclude the contract penalty.
4. In case that the manufacturer/supplier will be in default with the agreed to dates and delivery terms under circumstances he considers justifiable, VAHLE is after a reasonable, legally provided extension period entitled, at VAHLE's choice to demand damage compensation due to non-compliance or, respectively, seek compensation from a third party or to withdraw from the existing contract.
5. With earlier as agreed to delivery VAHLE reserves the right to make a return shipment charged to the manufacturer/supplier. If a return shipment does not occur, VAHLE will put in storage the material until the agreed to delivery date; charges and risks to be assumed by the manufacturer/supplier. VAHLE also reserves the right, in case of early delivery, to schedule payment based on the agreed to original delivery date; all other payment conditions, as well as the under § 3, No. 5. of these G*enPTC* stipulated payment terms, are valid based on the agreed to delivery date.
6. VAHLE provided or to be provided material, parts, containers etc. (items provided) and documents or data remain our property, must be used as agreed for this contact only and may not be diverted for any other purpose. Orders, documents or data may only be copied with VAHLE's written permission. Copies, when produced, will become VAHLE property. A right to retain copies of orders, documents or data, regardless of reason, does not exist. The same is true for third parties or sub-contractors hired for contract fulfillment. Should necessary, VAHLE provided items (material, parts, containers, documents or data) fail to appear, can this be cited only when written notification was made and items have not been received within reasonable time.
7. Labor struggle, unrest, governmental action or other not anticipated and unavoidable occurrences (Force majeure) will release the contract partners for the duration of the disturbance and extent of its impact from contract performance obligations. The contract partners are reciprocally obligated, within the framework of reasonable action, to inform themselves about the kind, duration and possible ending of the disturbance and are obligated to adapt with good faith to changed circumstances.
8. In case of longtime performance impediment, inability to make payment, or start of insolvency proceedings, or the rejection of the start of such proceedings due to lack of assets of one contract partner, grants the right to the other contract partner to cancel the contract, respectively the still open portion of the contract. If you are impacted by any of the afore mentioned events, you must make every effort that the contract fulfillment can be realized by us (VAHLE) or a third party, including licensing for the fulfillment necessary exclusive commercial rights at conditions commensurate with this industrial sector.

§ 6 Warranties / Assurances / Warranty claims / Retention of title / Discrepancy notification requirement / Warranty claims duration and scope / Statute of limitations

1. As manufacturer/supplier you guaranty and assure VAHLE that all supplied products and services provided are at the current level of technology and conform with all relevant legal codes including guidelines and stipulations of governmental agencies, trade and professional associations. You also assure the use of purpose specific materials, suitable engineering, construction and/or execution and problem free functioning while meeting the agreed to requirements and performance criteria.

2. When singular cases require divergence from the with No. 1. above listed warranties, assurances and alternative obligations, VAHLE's written agreement must be obtained. This agreement will not diminish your warranty obligations. Also, governmental approval of documentation as in case of VAHLE items provided as with§ 5, No. 6. of these *GenPTC,* or possible approval by VAHLE of drawings, calculations and other technical documentation will not reduce your sole responsibility. The is true for VAHLE instructions regarding the kind of fulfillment of this order, insofar that you have reservations regarding the by VAHLE elected procedure, you must submit written notification and in concert with VAHLE develop solution.
3. Furthermore the manufacturer/supplier guarantees and assures VAHLE that deliveries and/or services provided are not subject to any claims of third parties and availability and usage are without limitations. If there is a possibility of third party claims on contract items, this must be revealed without prompting. Regarding the possibility of retention of title, contract conditions stipulate that a VAHLE payment for these items, products and material supplied will effect a change of title to VAHLE. Therefore, an extended current account reservation is invalid. Based on the title retention reservation, a demand for return of supplied items or products can be made only when you withdraw from the contract.
4. With purchasing and works supply contracts VAHLE will without delay notify you with a written notice of defect if obvious defects are detected on contract objects, products or material during regular business proceedings. In any case, such a notice of defect is considered to be without delay if made within two weeks of receiving the delivery at the in the contract specified receiving or processing address. When hidden defects are later recognized, VAHLE will notify you within two weeks of gaining this knowledge and will submit a notice of defect.
5. Should we discover defects with your deliveries or service performance during the warranty period, therein is also included absence of assured features, you must on our request and choice, without delay and free of charge, repair the defect or replace the defective item with replacement shipment. Additionally, you must assume all secondary charges incurred with the remedy of the defect. Especially included are expenses incurred to locate the error, removal of the defective and installation of new components as well as charges for expert's advice and transportation charges. If you should refuse to remediate the defect, or a replacement shipment is not possible or unsuccessful, or remediation has been delayed beyond the by VAHLE in writing requested reasonable time, VAHLE can legally request cancellation or reduction of the contract. Indemnification, specifically damage compensation for non-fulfillment, will remain explicitly reserved.
6. If operational safety is endangered, if extraordinarily extensive damage could occur, or to maintain VAHLE's ability to make deliveries to their customers, i. e. at all urgent circumstances and in coordination with you, VAHLE will at your expense and risk repair the defect or will utilize third party support for the repair. Should initial coordination with you not be possible, and based on the urgency to repair the defect in consideration of an expected possibly high amount of damage, an immediate defect repair as per our judgement is required. VAHLE will immediately proceed with defect repair and will inform you afterwards about the occurrence. At the same time VAHLE may repair small defects without previous coordination, this will not affect your warranty obligation. VAHLE will then debit you for expenses incurred as well as expenses incurred by third party support.
7. The warranty period extends, unless legal regulations require differently, for two years and will start with the surrender of the delivery at the by VAHLE specified receiving address or processing address. With agreed upon acceptance the warranty period starts with the date of the VAHLE acceptance letter.
8. The statute of limitations time span will be interrupted on the day a notice of defect has been received by you and reinstated when VAHLE receives notification that the defect has been remedied, respectively that you refuse to repair the defect. The statute of limitations time span for repaired components starts with the date of removal of defect, resupply of repaired components or replacement of components.

§ 7 Liability / Product liability / Release

1. Insofar as a delivery or service performance is flawed with defects or the manufacturer/supplier has violated contractually required care, especially security and information obligations or other secondary required duties (i. e. obligations cited in these *GenPTC* with § 1, No. 4., § 4, Nos. 1. to 4.) or you are not complying with delivery obligations and contractually agreed upon delivery dates (hereafter 'contract violations'), our demands, based on these contract violations and, insofar there are no other consequences stipulated in these *GenPTC,* are in accordance with legal regulations. You are liable for all direct or indirect damages caused by contract violations. You are also liable for damages if expenses for an acceptance test exceeding customary charges and if it was shown that, at the very least, a partial of your delivery/performance was defective or flawed. This is also valid for a partial or complete examination of the received delivery/service performance by VAHLE during later business proceedings.

2. Insofar that legal regulations determine that your liability depends on the fact that you will have to justify the contract violations, you may, by submitting evidence that you are not to blame, not held to be liable. You are responsible for contract violations of your employees, sub-suppliers or other persons with authority, similarly to your own violations. You cannot be released from your liability with evidence of careful selection and supervision of your employees, sub-suppliers or other persons with authority.
3. The liability stipulations cited with Nos. 1. and 2. above apply to damage compensation claims directed at VAHLE.
4. Insofar that you are liable, you are releasing VAHLE from third party demands.
5. Should VAHLE, in case of violation of legal safety regulation or because of national or international product liability regulations or product liability laws, come in conflict with these regulations or laws due to the fact that a VAHLE product has a defect which can be traced back to your material or products, VAHLE is entitled to demand compensation for damages incurred, provided that the damage was caused by material or products supplied by you. Expenses for a preemptive recall action are included with the demand for compensation.

§ 8 Insurance

1. It is mandatory that the manufacturer/supplier, at his expense, carries facility and product liability insurance at customary and sufficient amounts, underwritten by an acclaimed and financially solid insurance provider, which will cover your liability to VAHLE and third parties, especially product liability insurance including recall risks, with adequate amounts. At VAHLE's request you will provide documentation evidencing your insurance protection including coverage amounts.
2. Existence of an insurance coverage contract will not reduce your obligations cited in the *GenPTC.*

§ 9 Protected trade rights and Copyrights

1. The manufacturer/supplier guarantees and affirms that all deliveries and service performances are unencumbered of third party trade right protection issues and with delivery, processing, usage or resale of the items to be delivered, no patents, licenses or other protected rights, such as a during acceptance pending third party patent registration, are being infringed upon.
2. You must release VAHLE from all obligations, expenses, damages, claims and expenditures (including court and legal discovery actions as well as settlement agreements covering claims or accusations), and you must also defend VAHLE and hold harmless from utilization or accusation by a third party, arising from the fact that products or the usage thereof by VAHLE or our customers, infringe on protected trade rights or copyrights of this third party. VAHLE further has the right, at your expense, to negotiate with the proprietor of these rights the utilization of the specific products or service performance. Notwithstanding, you are not liable insofar the infringement resulted from VAHLE directives when manufacturing the product and you, despite practicing due diligence did not know that following these directives would result in the infringement of protected trade rights or copyrights of a third party.
3. When you are informed of an allegation of infringement of rights of a third party, you must commence specific steps to assure that VAHLE will receive from you the products without such an infringement, for example by acquiring licensing or redesigning the product (conforming with all contract stipulations and quality requirements) or any other suitable measures.

§ 10 Confidentiality

1. The manufacturer/supplier must keep the contract agreement confidential. You may refer to your business connection with VAHLE (i. e. on your home page, on reverence lists or other advertising material) only after we have given written permission unless such publication is required by legal regulations. Even in such cases you must timely inform VAHLE of your intentions.
2. The contract partners are reciprocally obligated to keep confidential all information which is obtained from the other contract partner in the course of this business relationship or otherwise. Commercial and technical details, documentation, data carriers etc. must be viewed as business secrets and cannot be passed on nor disclosed without explicit written permission of the other contract partner. Nevertheless, VAHLE has the right to forward information to related companies which are then bound by these stipulations. This obligetion does not pertain to information which has been known to the respective contract partner, if received legitimately to be without a requirement of confidentiality, or when afterwards received legitimately to be without requirement of confidentiality.

3. Obligations contained in this § 10 remain binding after conclusion or termination of this contract between the manufacturer/supplier and VAHLE. Insofar that sub-contractors have been utilized for contract fulfillment requirements must these also conform with these § 10 obligations.

§ 11 Description of products / Marketing

1. The manufacturer/supplier must mark products as instructed by VAHLE when we require it.
2. None of the contract partners, not the manufacturer/supplier nor VAHLE can use copyrighted names, logos, trade names, registered trademarks or registered service mark without previously obtaining written permission of the party who owns or controls these copyrighted names or registered trademarks.

§ 12 Quality management

1. The manufacturer/supplier must have and maintain a currently valid ISO 9001 certification; certification must be verified by submitting to VAHLE the corresponding certificate. Deviations from this requirement, stated in the previous sentence, must be made in writing.
2. The manufacturer/supplier must continually monitor the quality of deliveries and service performance. Here is also included that you, as manufacturer/supplier of products which you supply that have certification requirements (i. e. UL FCC, EAC, CCC, see also § 4, No. 4. of these *GenPTC*), are obligated to have available relevant documentation and submit it at our request at your expense, if not already included with your delivery.
3. The manufacturer/supplier must install and maintain a certified quality assurance system commensurate with type and scale of your production, based on up-to-date technology. You must also keep a log of your quality test procedures and the resulting data. VAHLE has the right to request this documentation. Further you agree to quality audits by VAHLE or a representative to verify the effectiveness of your quality assurance system.

§ 13 Social responsibility / Code of conduct / Minimum wage

1. Social responsibility is of utmost importance to VAHLE; business activity must reflect social responsibility toward our employees and society as a whole. This applies not only to VAHLE, it is also true for our suppliers. We, PAUL VAHLE GMBH & CO. KG. pledge to adhere and you as manufacturer/supplier similarly pledges to adhere to the by the International Labor Organization (IAO) statement 'Declaration of Basic Labor Principles and Rights' (Geneva, 06/98) promulgated principles and rights, the guidelines of the 'UN Global Compact Initiative' (Davos, 01/99, the 'UN Guiding Principles for Industry and Human Rights' (2011) and the principles stated in the VAHLE Code of Conduct (may be downloaded from the VAHLE Internet website). The following principles are especially important:(1) Respect for human rights, (2) Prohibition of child labor and forced labor, (3) Positive and negative right of freedom of association, (4) No discrimination because of gender, race, ethnic origin, religion or ideology, union membership or similar, handicapped or disabled, age, sexual identity, nationality, marital status, political disposition, veteran status, or otherwise protected characteristics, (5) protection of indigenous rights, (6) Adherence to requirements of labor safety and protection of health, (7) Protection from singular arbitrary personal measures, (8) Training and continuous education to assure employability,(9) Adherence to socially adequate labor conditions, (10) Establishment of conditions which provide employees with an adequate standard of living, particularly an employee wage which enables a secure existence and permits social and cultural participation, (11) Attainment of equal opportunity for all and a family friendly environment, (12) Prohibition of bribery and blackmail, (13) Compliance with all laws and regulations. As manufacturer/supplier you will take all reasonable measures to make certain that within your authority bribery delicts will not occur. You also have the responsibility to assure that your sub-contractors act in accordance with these *GenPTC,* No. 1. above, cited regulations and obey these regulations.
2. You also give assurance that when fulfilling VAHLE orders you will adhere to the laws and regulations of minimum wage legislation. Similarly, you assure that your sub-contractors will fully observe all requirements of minimum wage legislation.
3. If you should not, or not correctly comply with § 13, Nos. 1. and 2. of these *GenPTC* you are required with our first written request to release VAHLE from all demands of third parties (including governmental agencies) arising from this circumstance. With regard to the preceding No. 2. (adherence to minimum wage legislation) you are obligated to inform VAHLE of all blamable or blameless demands of third parties, especially demands of your employees, your sub-contractors or employees, or their sub-contractors who are participants in the fulfillment of VAHLE orders, and you are obligated to release VAHLE from all demands within the context of minimum wage legislation. This obligation, as cited in the preceding sentence, to release VAHLE from any demands pertains also to Social Security Agencies, Federal Tax Agencies (Internal Revenue Service) and especially from demands of the German Federal Labor Agency when making insolvency payments.

§ 14 Place of fulfillment / Jurisdiction / Severability clause / Complementary right / Miscellaneous

1. Place of fulfillment for your delivery or service performance is, insofar there is no other agreement, the VAHLE stipulated delivery address, respectively receiving or processing location address.
2. The German legal code is valid exclusively for all legal interactions. UN commercial regulations (CISG) are excluded. Applicable for the definition of commercial clauses is INCOTERMS at the respective valid version, however not affected by it remain the stipulations § 2, No. 4. of these *GenPTC.*
3. Jurisdiction is Kamen, Germany if you are a business person in accordance with §§ 1 ff HGB (Commercial Code). However, VAHLE reserves the right to pursue its demands at any other appropriate jurisdiction.
4. Person relevant data, which accumulate in connection with the contract relationship, will be saved by VAHLE for data processing.
5. Should any one stipulation of these *GenPTC* be ineffective or become ineffective so will this not invalidate the effectiveness of all other stipulations.