

General Conditions of Purchasing

Varta Microbattery

Dated : March 1st, 2013

Our order is subjected to the exclusive application, of our subsequent General Conditions of Purchase (also "Conditions of Purchase" in the following)

1. Application

- 1.1. These Conditions of Purchase shall apply exclusively. Contrary, supplementary or differing terms of the seller shall not apply except if expressly agreed upon in writing. This shall also apply to terms included in order confirmations or other confirmations of the seller. These Conditions of Purchase shall apply furthermore if we implicitly and with knowledge of contrary, differing or supplementary terms accept deliveries or goods and services of the seller.
- 1.2. These Conditions of Purchase shall be part of the contract and any supplements. They shall also govern all future transactions between the parties.

2. Formation of Contract, Orders

- 2.1. Offers and quotations of the seller shall be legally binding and shall be submitted to us at no charge.
- 2.2. The contract shall only be deemed to have been entered into when, after receipt of an offer made by the seller, we have sent an acceptance (order) in writing.

3. Prices, Invoice, Payment

- 3.1. The prices named in the order shall be binding and based on "delivered duty paid" including the costs of packing, except as otherwise expressly agreed upon. Prices do not include VAT/GST.
- 3.2. All order confirmations and any other necessary confirmations as well as shipping documents shall state our order number, the item numbers, the quantity supplied and the delivery address. Invoices shall be sent as single copies to the invoice address named in the order and include the following specifications: order number, item numbers, item description, quantity supplied, number of the shipping note, tax account number as well as the seller's VAT/GST number; VAT/GST shall be shown separately on the invoices. Furthermore, the invoices shall comply with respective fiscal requirements. Insofar as any such details are omitted or requirements are not fulfilled, invoices shall only be deemed to have been received by us and properly invoiced as at their time of correction.
- 3.3. Payment shall be made in the manner and at the time or times agreed by the parties in each individual case. If not agreed upon otherwise, payments shall be made within 14 days of receipt of a proper invoice pursuant to Section 3.2 of these Conditions of Purchase with a 3 % discount or net within 60 days of receipt of a proper invoice; however, the period for payment shall not commence before the day of delivery against acknowledgement of receipt or acceptance.
- 3.4. Payment shall not constitute any acknowledgement that the corresponding delivery or services were provided in accordance with the contract.

4. Offset, Withholding Rights

- 4.1. The seller shall be entitled to offset only insofar as the seller's counterclaim (including counterclaims resulting from other legal relationships) is acknowledged, undisputed or has been established in a legally binding judgment. The seller is not entitled to claim withholding rights to the extent that such rights are based on other transactions with VARTA Microbattery GmbH or its affiliated companies.

5. Terms of Delivery, Transfer of Risk

- 5.1. All delivery dates and delivery times stated in the order or otherwise agreed upon are binding. Early delivery or services shall be invalid.
- 5.2. The seller shall immediately inform us in writing of any threatened or existing delay regarding delivery or delivery dates, the reasons for such a delay and the anticipated duration of such a delay. The foregoing shall not affect the occurrence of a default in delivery.

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- 5.3. In the event of default in delivery on the part of the seller, we have the right to charge a penalty in respect of each working day of default or part thereof amounting to 0.3 % but not exceeding a total of 5 % of the total value of the contract. Even if the corresponding reservation of rights is not made upon the acceptance of a delivery, services or rectification, this penalty may still be claimed until the date of final payment.
 - 5.4. Partial shipments shall be subject to our prior written consent.
 - 5.5. The risk of accidental loss or damage to the goods shall pass to us upon complete and due delivery at the agreed place of delivery. This shall also apply if shipment by a forwarding company has been agreed upon. If not agreed upon otherwise, the goods in cross-border trade shall be deemed to be sold "DDP" (delivered duty paid, Incoterms 2010).
 - 5.6. Buyer shall not be liable to Seller for any loss incurred by Seller due to strikes, riots, storms, fires, explosions, acts of God, war, embargo, government boycott or other governmental action or another causes similar thereto beyond the reasonable control of Buyer. Any failure or delay in performance of any of the foregoing shall not be default hereunder.
- ### 6. Warranty
- 6.1. We reserve without limitation all rights and remedies for non-conformity provided by applicable law. We are especially entitled, at our discretion, to require remedy of defects, delivery of conforming goods or payment of damages.
 - 6.2. Deviations in quality or quantities detected during incoming inspection shall in all cases be deemed to have been duly reported if notification of deviation is received by the seller within 1 month of receipt of the goods. For the received goods that are stored in the original packaging and under recommended storage conditions, the seller shall be liable for all deviations in quality (include concealed defects) or quantities detected before usage, within 12 months of receipt of goods.
 - 6.3. Acceptance or approval of samples provided does not constitute waiver on our part of warranty claims.
 - 6.4. In cases of imminent danger we are entitled, after giving notice to the seller, to remedy defects at the seller's expense. The same shall apply if a deadline set by us for remedy of a defect has not been met.
 - 6.5. The seller shall bear the costs and risk related to the return of defect products.
 - 6.6. Warranty claims shall be time-barred 36 months after the transfer of risk.
 - 6.7. Upon receipt of our written defect notification by the seller, the statutory limitation of warranty claims is interrupted.
 - 6.8. The seller warrants that the goods are owned by it absolutely and none is the subject of any option, right to acquire, assignment, mortgage, charge, lien or hypothecation or any other encumbrance whatsoever or is the subject of any factoring arrangement, hire-purchase, conditional sale or credit sale agreement.
- ### 7. Product Liability, Insurance
- 7.1. The seller shall upon first demand, indemnify us and hold us harmless from and against any and all liability or claims of third parties based on the manufacture, delivery, storage, or use of the delivered goods. The above indemnification shall not apply if the claim is based on our intentional or grossly negligent breach of a duty.
 - 7.2. If we are forced to recall products from third parties due to defect goods delivered by the seller, the seller shall bear all our expenses resulting from or in relation with such a recall.
 - 7.3. The seller shall, at all times during a contract based on these Conditions of Purchase, maintain product liability insurance with adequate minimum insurance coverage and show evidence of this on request. Any further claims for damages shall remain unaffected.

8. Protected Rights

- 8.1. The seller shall warrant that in connection with its services or deliveries third-party protected rights will not be infringed and that the goods supplied can be distributed world-wide without infringing third-party protected rights.
- 8.2. The seller shall indemnify us against all third-party claims arising from any infringement of the industrial property rights named in Section 8.1 and shall reimburse all necessary expenses incurred by us in this regard. This entitlement shall remain unaffected by whether or not blame is actually attributable to the seller.

9. Code of Conduct

- 9.1. The seller is obliged to comply with the laws of the applicable legal system(s). Furthermore, the seller is obliged to observe the international standards on ethical conduct, especially as specified by the "European Convention on Human Rights" and the "Declaration of the International Labor Organization on Fundamental Principles and Rights at Work".
- 9.2. In accordance with the "ICC Rules of Conduct and Recommendations for Combating Extortion and Bribery" and the "Business Principles for Countering Bribery" published by Transparency International, the seller is prohibited from tolerating or becoming involved in any form of bribery or corruption.
- 9.3. The seller is obliged to promote equality of opportunity and equality of treatment of its employees regardless of their color, race, nationality, social origin, any disabilities, their sexual orientation or political or religious convictions, gender or age and to respect the personal dignity, the privacy and the rights of each individual.
- 9.4. The seller is obliged not to force anyone to work and not to employ anyone against his or her will. Furthermore, it undertakes not to tolerate unacceptable treatment of employees, such as physical punishment, mental cruelty, sexual or personal harassment or discrimination; moreover forms of behavior (including gestures, language and physical contact) which are sexual, coercive, threatening, abusive or exploitive.
- 9.5. The seller shall ensure fair payment of its employees, pay the same rate for the same work and observe any national legislation on minimum wages. Moreover, the seller shall comply with the maximum working hours laid down in individual countries and recognize, as far as legally permissible, the freedom of association of its employees and neither favor nor discriminate against members of employee organizations or labor unions.
- 9.6. The seller shall recognize and observe the rights of children. The Conventions 138 and 182 of the International Labor Organization banning child labor shall be adhered to. It is forbidden for the seller to hire workers or employees under the age of 15; in countries which under the ILO Convention 138 qualify for the developing country exception the minimum age is reducible to 14.
- 9.7. The seller is obliged to take responsibility for the health and safety of its employees, to reduce risks and to take all possible precautions to avoid accidents and occupational diseases as well as to train all employees in health and safety, in particular in the handling of hazardous substances.
- 9.8. The seller shall observe environmental protection within the framework of applicable legal standards, minimize adverse impact on the environment and constantly improve environmental protection. Moreover, the seller is obliged to put an environmental management system in line with ISO 14001 in place and/or apply such an environmental system.
- 9.9. Finally, the seller is obliged to take appropriate steps to promote adherence to this section (Code of Conduct) by its suppliers and to observe the principles of non-discrimination when selecting and dealing with suppliers.
- 9.10. We reserve the right to audit adherence to this section (Code of Conduct) by the seller at any time and without prior notification or to have adherence audited by independent third parties; such inspections of the premises of the seller as are necessary shall be by prior agreement

with the seller and carried out in accordance with prevailing legislation.

10. Applicable Law, Jurisdiction

- 10.1. This agreement as well as all contracts based on this agreement shall be governed by and construed in accordance with German law.
- 10.2. Place of performance and place of jurisdiction for and any all disputes arising out of or in connection with this agreement or contracts based on this agreement shall be the place of the Buyers ordering location. Nevertheless, each party shall be entitled to file a claim at the other's place of general jurisdiction.