



General Conditions of Purchase of QEST Quantenelektronische Systeme GmbH

1. Area of Application:

- 1.1. The legal relationship between supplier and QEST Quantenelektronische Systeme GmbH (hereinafter called QEST) is based on these General Conditions of Purchase and other agreements. Any changes and amendments require written form. The present General Conditions of Purchase shall apply exclusively. Terms and Conditions deviating from the General Conditions of Purchase of QEST are even then not applicable, if QEST has not explicitly objected to them. Nor shall they apply if QEST unconditionally accepts delivery and performance fully aware of conflicting terms and conditions or terms and conditions deviating from QEST's General Conditions of Purchase.
- 1.2. For those contracts, which are normally concluded as service contracts, such as for consultancy services, planning and programming tasks etc., as well as for other contracts concluded within this scope, the following terms and conditions shall apply exclusively unless more specific provisions have precedence. This is always the case if provisions are subject to individual agreements.
- 1.3. If delivery also includes an order for work performance or for services and if QEST has agreed upon separate provisions for such overall order, these General Conditions of Purchase shall not apply in the case of any inconsistencies.

2. Conclusion of contract

- 2.1. Normally, contracts are based on a quote by supplier which QEST accepts. As QEST places orders as quickly as possible in accordance with industrial scales and controlled by DP (SAP et. al.), the parties to the contract agree that a written confirmation of order by supplier shall only be made occasionally. Basically, this means that a written declaration of acceptance by supplier for the conclusion of contract is not required. Deviating from this stipulation, a confirmation of order shall be submitted if expressly requested. In this connection, an informal request is also permitted. Then the confirmation of order shall be filed within a time period of two working days.
- 2.2. In the event that supplier does not accept an order within a time period of one week upon entry, QEST shall be entitled to revocation. Delivery call-offs concerning an order or call-off planning become mandatory if supplier does not object within a time period of three working days.
- 2.3. Price changes which are notified by confirmation of order that deviates from the purchase order will not be accepted. Price changes always require a written quote.
- 2.4. In the event of **work performance and contracts for goods and services**, supplier shall suggest changes which he regards as necessary or appropriate for successful fulfillment of the contract. He shall carry out these changes after receiving written approval of QEST.
- 2.5. Subcontracts by supplier require prior written consent by QEST unless subcontractor and supplier are affiliated undertakings. If supplier stops payments or in the event of bankruptcy proceedings or any similarly serious reason, QEST may withdraw from the unfulfilled part of the contract without prejudice to any other rights.
- 2.6. The use of emails and the Internet will be actively applied as per agreement with QEST and will be mutually considered as legally binding.

3. Delivery dates

- 3.1. Agreed dates for delivery and performance are binding. If delays are due or occur, supplier shall immediately notify QEST in written form.
- 3.2. If supplier gets into default of delivery or performance, statutory provisions shall be applied.

4. Delivery / Passing of Risk

- 4.1. Supplier shall deliver to the application site agreed upon or to the denoted shipping address. Deliveries occur, DDP, INCOTERMS 2000 unless other agreements have been made.
- 4.2. Risk passes to QEST upon receipt and acknowledgement of delivery, unless other stipulations are subject to individual agreements.
- 4.3. Unless otherwise agreed upon, partial delivery is not permissible.
- 4.4. Force majeure, industrial disputes, administrative actions or any other inevitable events will release QEST from its obligation to accept the delivery item and to provide consideration for the duration of disruption.
- 4.5. Delivery shall be generally effected in a non-returnable standard packaging. If returnable packaging is used, supplier shall provide packaging on a loan basis. Return of packaging shall take place at the expense and at the risk of supplier.

5. Payment / Assignment

- 5.1. Payment will be made after receipt of delivery item according to contract and after receipt of a correct and auditable invoice by QEST. Part payments shall be subject to individual contract.
- 5.2. Deliveries prior to the agreed delivery date will not be considered as due for payment until the agreed delivery date.
- 5.3. QEST's payments are generally made by the 25th of the month following the invoice or 30 days due net. Payments can be made via bank transfer or by cheque.

- 5.4. Settlement of an invoice does not imply the acceptance of delivered parts by QEST.
- 5.5. Invoices shall be submitted in duplicate and shall be issued in accordance with the stipulations made in the order. They shall explicitly include QEST's order number, the exact company name, the correct address and QEST's supplier number.

6. Warranty / Product Liability / Spare Parts / Insurance

- 6.1. Unless otherwise agreed upon, the legal warranty period shall apply, but at least 2 years.
- 6.2. Unless otherwise agreed upon, warranty conforms to statutory provisions. QEST shall be entitled at its own option to demand delivery of items free of defects or cost-free rectification of defects. Rectification of defects will be considered as having failed after two unsuccessful attempts. If supplier refuses immediate rectification or rectification fails on the first attempt, QEST shall be entitled to self-rectification or to rectify the defect by third parties in cases of urgency in particular to avert imminent danger or to avoid considerable damages.
- 6.3. If QEST does not deliver to the end customer, the limitation period for warranty claims expires no sooner than two months following the elimination of the defect at the affected end customer. This suspension ends no later than five years after delivery to purchaser.
- 6.4. Supplier is obliged to confirm and/or prove the following insurance requirements on request by QEST:
 - Product liability indicating the sum insured
 - Public liability indicating the sum insured
 - Supplier's accident insurance, if applicable, for his employees working at QEST premises indicating sum insured

7. Special provisions for the provision of appliances

- 7.1. Appliances provided by QEST such as dies, gauges, matrixes, models, samples, tools, drawings and the like, which QEST has put at the disposal of the supplier, may not be used for deliveries to third parties without written approval by QEST. They shall returned to QEST upon request.
- 7.2. Appliances surrendered to supplier or produced according to specifications of QEST shall be, neither copied nor sold, assigned by way of security, pledged nor forwarded or used for third parties in no way without QEST's explicit written approval. The same applies to delivery items manufactured by using these appliances.

8. Non-Disclosure

- 8.1. Supplier undertakes to maintain any non-evident commercial and technical details which he comes to know during the business relationship as trade secret. Upon request by QEST, further non-disclosure agreements will be concluded.
- 8.2. Drawings, models, templates and similar objects shall not be disclosed to or made available to unauthorized third parties. Reproduction of such objects is permissible only within the scope of operational requirements and copyright provisions. Subcontractors and suppliers shall be committed accordingly.
- 8.3. Supplier may not advertise or promote his business relationship with QEST without prior written approval by QEST.

9. Export Restrictions

- 9.1. Supplier shall notify QEST immediately upon potential export restrictions for the ordered goods including their parts and components.

10. Miscellaneous Terms

- 10.1. The law of Germany shall be applied excluding the UN Convention on Contracts for the International Sale of Goods (CISG) and the respective German conflict-of-laws rules.
- 10.2. Place of jurisdiction shall be Stuttgart.
- 10.3. The place of performance is the domicile of QEST, unless otherwise agreed in writing.
- 10.4. Any modifications and amendments, as well as collateral agreements shall be in writing. The same shall apply to the renunciation of the written form.
- 10.5. If one of the provisions of this General Conditions of Purchase or of any other concluded agreement is or becomes void and ineffective, the validity of these General Conditions of Purchase remains unaffected. The parties to the contract undertake to replace the void and ineffective provision, within reasonable scope, by a provision which comes as close as possible to the commercial meaning and purpose of the void and ineffective provision.
- 10.6. This present English version of the "General Conditions of Purchase of QEST Quantenelektronische System GmbH" has been translated to the best of our knowledge from the original German version. In case of ambiguities or discrepancies between the German original and the English translation, the German original shall prevail.