

**I. Applicability / Acceptance / Form Requirements**

1. The legal relationships between the Supplier and KUKA are governed exclusively by the following terms and conditions. Any contrary terms and conditions of the Supplier or any other contrary agreements only apply if these have been expressly agreed to or acknowledged by KUKA and the Supplier. Neither silence on the part of KUKA nor an unobjected acceptance by KUKA of work/services performed or the payment by KUKA are to be deemed as acknowledgement.
2. An order from KUKA is an offer made to the Supplier to purchase the goods, services, or any other work performed ("Contractual Items"), which is defined more precisely in the order, at the conditions set out therein. Prior to acceptance by the Supplier, KUKA is entitled to cancel an order at any time without being liable in any way whatsoever to the Supplier. An order does not constitute acceptance of an offer made by the Supplier unless something to the contrary has been explicitly stated in the order. A reference by KUKA in the order to conditions of the Supplier's offer is only effective to the extent to which KUKA's order and its conditions are not inconsistent with these conditions of the Supplier's offer.
3. An order by KUKA and these GTCP are deemed to have been accepted by the Supplier unmodified and in their entirety when the Supplier accepts an order in writing or by way of electronic data transfer, or when the Supplier commences to perform that which forms the subject matter of the order. Every order accepted or every contract concluded in any other way for the delivery of Contractual Items is considered a "Supply Contract" within the meaning of these terms and conditions. **KUKA DOES NOT ACKNOWLEDGE ANY ADDITIONAL OR CONTRADICTIONARY OR ADVERSE TERMS OR CONDITIONS CONTAINED IN THE OFFERS, ORDERS ACCEPTED, OR CONFIRMATIONS MADE BY THE SUPPLIER. IN NO WAY WHATSOEVER DO THESE FORM A PART OF THE SUPPLY CONTRACT.**

**II. Scope of Performance / Modifying the Scope of Performance / Spare Parts**

1. The scope of the work or services to be performed by the Supplier ("Work") arises primarily from the specifications and the Work description agreed to at the closing of the Supply Contract, from KUKA's order, and from these GTCP.
2. All specifications, Work descriptions, and any other information made available to the Supplier for the execution of a Supply Contract, and any materials provided, parts, and other materials made available to the Supplier for executing a Supply Contract ("Objects") must be examined by the Supplier to determine its suitability for the use intended by KUKA and KUKA's end customer. Should this examination show that it is necessary or advisable to make modifications or adjustments to the Objects made available to the Supplier or to the Contractual Items, the Supplier must inform KUKA of this without undue delay. KUKA must then inform the Supplier in writing whether and, where applicable, which modifications the Supplier must make. If the Supplier is of the opinion that such modifications could give rise to costs of the Contractual Items different than those agreed to, or that the agreed to dates cannot be complied with, then the Supplier must inform KUKA of this without undue delay. With respect to the effects of this, especially regarding additional or reduced costs or agreed to dates, reasonable and mutually consented to conditions must be agreed. If a consensus is not reached within a reasonable period of time, KUKA is entitled to decide as it considers fair.
3. The Supplier must ensure that it has timely knowledge of all important data and circumstances required for performing its contractual obligations and of the use which KUKA intends for its deliveries. The Supplier may only base a defence on an absence of required documents if it has requested these in writing in a timely manner, has sent at least one written reminder, and has failed to receive these within a reasonable time limit. The Supplier warrants that its deliveries comprise all work or services required for a safe and economic usage and for usage in line with regulations, are suitable for the intended usage, and meet current scientific and technological standards. In performing its Work, the Supplier must observe all norms, laws, and legal provisions of the governing law, particularly the relevant regulations on environmental protection, hazardous substances, hazardous goods, and accident prevention, as well as the generally recognized technical-safety regulations and the respective KUKA standards and the Supplier must ensure the overall supply chain security according to the applicable statutes, regulations and guidelines of the customs authorities.
4. The Supplier must inform KUKA of the permits and reporting obligations required by the public authorities for the import and operation of the Contractual Items. The Supplier is obliged in particular to

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comply with the export-control regulations relevant at the time of delivery and to inform KUKA - unsolicited, in written form, and no later than at the time of delivery - of any export-control marking of the Contractual Items or parts thereof, especially that required by the regulations of the governing law, the EU, or the USA in effect at the time of delivery. For each Contractual Item or part thereof affected by the export control, the relevant export-control list and the list position must be designated.

5. KUKA is entitled to demand from the Supplier modifications of the Contractual Items at any time, particularly regarding engineering, design and execution. The Supplier is obliged to make the modifications without undue delay on the basis of the existing contractual terms and conditions. If the Supplier is of the opinion that such modifications could give rise to costs of the Contractual Items different than those agreed to, or that the agreed to dates cannot be complied with, then the Supplier must inform KUKA of this without undue delay. With respect to the effects of this, especially regarding additional or reduced costs or agreed to dates, reasonable and mutually consented to conditions must be agreed. If a consensus is not reached within a reasonable period of time, KUKA is entitled to decide as it considers fair.
6. Work owed under the Supply Contract may only be sub-contracted to a third party by the Supplier after obtaining KUKA's written consent.
7. Prior to commencement of the agreed fabrication of Contractual Items, all fabrication documents must be submitted by the Supplier to KUKA for approval. An approval of the documents by KUKA in no way affects the Supplier's contractual obligations or liability towards KUKA or towards third parties under the provisions of the Supply Contract or the governing law.
8. The Supplier warrants for a period of 10 years commencing after delivery of the Contractual Items that it will be able to supply KUKA with additional Contractual Items or parts thereof as spare parts if, on account of technological progress, a compatible or adequate part cannot be supplied.

### **III. Prices / Terms of Payment**

1. The prices agreed are flat-rate fixed prices unless an account settlement based on units of negotiated hourly rates has been expressly agreed in writing. Unless other terms of payment have been agreed to, payment net and without deductions must be made within 90 days net days. The time limit begins to run with receipt of the contractual work including documentation, or with its final acceptance where this has been separately agreed to, and with receipt of a proper and verifiable invoice. Invoices must include the following information: allocation to an account, unloading location, supplier number, order number, part number, number of units, and unit price. The invoice must also contain all information entitling the deduction of input tax, particularly the tax number or turnover-tax identification number, invoice number, and any other information that must be included in a Supplier's invoice pursuant to the relevant statutory provisions of the governing law. If the invoice fails to include the foregoing data, KUKA is not under an obligation to pay the stated turnover tax. If KUKA is not entitled to deduct input tax on account of an improper invoice, the Supplier must reimburse the turnover tax paid by KUKA.
2. KUKA may choose which form of payment it wishes. The Supplier agrees to participate in KUKA's self-billing procedure when requested to do so.
3. KUKA is entitled to set off with or against matured, unmatured, and future claims, regardless of the legal basis for such claim, to which the KUKA Aktiengesellschaft, Augsburg ("KUKA AG") or a company in which the KUKA AG indirectly or directly has at least a 50% interest ("Subsidiary") is entitled against the Supplier, or which the Supplier is entitled to against one of the named companies. The most current list of Subsidiaries can be obtained by the Supplier upon request to the KUKA-partner responsible for the Supplier. The Supplier agrees that any security granted to the companies listed in the foregoing sub-section also serve to secure those claims that any other of the companies listed in the foregoing sub-section have against the Supplier.
4. The Supplier is not entitled to assign or to allow a third party to collect any claims which it is entitled to against KUKA. The Supplier is only entitled to set off against claims of KUKA or to enforce a right of retention if its claims are undisputed or if its counterclaim has been judicially determined as final, conclusive and not appealable.

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#### **IV. Terms of Delivery / Transfer of Title**

1. The Supplier must notify KUKA, without undue delay, of every shipment through a delivery note on the day of dispatch.
2. The delivery has to occur according to INCOTERMS 2000 DDP Augsburg.
3. KUKA is not obliged to accept Contractual Items delivered before the agreed delivery date. The Supplier bears the risk of loss or destruction and the risk of deterioration of Contractual Items delivered before the delivery date. KUKA is entitled to return any excessive deliveries at the Supplier's expense. The Supplier bears the risk of loss or destruction and the risk of deterioration of excessive deliveries.
4. Provided that nothing to the contrary has been expressly agreed between KUKA and the Supplier, KUKA's shipping, packing, and transportation regulations apply. The Contractual Items must be properly packed in an industry-conform manner taking the due care customary in trade. KUKA is entitled but not obligated to stipulate to the Supplier a suitable way of packing.
5. The Supplier must include a delivery note in duplicate with every delivery. The delivery note must contain the order, article, and supplier number.
6. Where applicable, title to the Contractual Items or parts thereof already passes to KUKA with the commencement of fabrication or commencement of acquisition by the Supplier for all incomplete intermediate stages including the engineering data belonging to this. Title otherwise passes to KUKA upon delivery unless something to the contrary has been agreed. Title passes to KUKA independent of the payment of the Contractual Items; KUKA's obligation to pay in accordance with the particular stages of fabrication is not affected by this. This transfer of title in no way constitutes a final acceptance or any other kind of acceptance of the incomplete intermediary stages or of the Contractual Items.
7. KUKA does not accept any kind of simple or extended reservation of title or any other reservations of the Supplier with respect to KUKA's acquisition of ownership.

#### **V. Dates / Delay / Losses Caused by Delay**

1. Agreed to dates and delivery times are binding.
2. The Supplier is obliged to notify KUKA in writing without undue delay of any discernible delay of its performance, of an expected possible delay of its performance, or of any discernible or expected problems with delivering in the agreed quality. The Supplier may only defend itself using delays not caused by it if it has complied with its obligation to notify KUKA.
3. A notification of delay made by the Supplier and any related projections of the agreed delivery dates to a subsequent date in no way means that the Supplier is not in delay with its performance. KUKA therefore remains entitled – despite a projection of the delivery dates to a subsequent date set out in the notification of the Supplier - to all of its claims pursuant to the Supply Contract that result from or are connected with the Supplier's delay.
4. Where the Supplier is in delay of its contractually owed performance, KUKA is entitled to claim liquidated damages from the Supplier. The amount owing for every commenced week of delay is 0.5% of the total value of the order, but not to exceed a total amount of 5% of the total value of the order. The agreement and the enforcement of the liquidated damages does not affect other claims to which KUKA is entitled, especially the claims and rights to which KUKA is entitled pursuant to the governing law. Any liquidated damages paid by the Supplier must be credited against any other claim for damages that KUKA has against the Supplier based on the Supplier's delay. Liquidated damages may be claimed by KUKA until payment in full of the Contractual Items.

#### **VI. Information, Documents, Confidentiality**

1. The Supplier undertakes to keep strictly confidential all information obtained in conjunction with the cooperation with KUKA unless it is common knowledge, has been lawfully obtained by the Supplier from a third party, or has been acquired independently by the Supplier or a third party, and to use this information solely for the purposes of the contract. "Confidential Information" includes, in particular,

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technical data, ordered amounts, prices, information on products and product developments, information on current and future research and development projects, and all corporate data of KUKA.

2. The Supplier must keep confidential all drafts, samples, fabrication materials, models, data carriers, prototypes, illustrations, drawings, calculations, knowledge, and any other documents made available to it by KUKA ("Documents"), must not allow third parties (including sub-suppliers) to access it without KUKA's written consent, and must refrain from using it for purposes other than those explicitly specified by KUKA. The same applies to any duplicates of Documents. This does not apply to Documents that the Supplier already had rightful knowledge of at the time of receipt, or rightfully obtained knowledge of after receipt, and for which there is explicitly no duty of confidentiality; that are or become generally known without breaching any duty of confidentiality; or that the Supplier has been granted written authorization for. For the rest the provisions of a confidentiality agreement entered into between the parties apply.

The Supplier must also impose on its sub-suppliers obligations commensurate with these provisions.

The Supplier is not allowed to advertise using its business relationship with KUKA without KUKA's prior approval.

3. KUKA retains title to and all other rights in the Documents that KUKA has made available whether or not they are capable of being protected by law (e.g. by copyright). Duplicates may only be made with the prior written consent of KUKA. Title to the duplicates passes to KUKA upon their production.
4. All of the Documents and Confidential Information (including but not limited to copies, sketches or notes) originating from KUKA must be returned to KUKA in full and without undue delay upon request by KUKA, however no later than the termination of the contract; KUKA is entitled to make this request at any time. The Supplier has absolutely no rights of retention in or liens on the Documents and Confidential Information.
5. Anything produced from Documents, Confidential Information, or any such thing originating from or commissioned by KUKA, or from other information designated as confidential, may only be used by the Supplier for the contractually stipulated purposes; in particular, they may neither be offered nor delivered to third parties.

## **VII. Provided Materials**

1. Any material provided by KUKA, in particular engineering data, materials, equipment, components, parts, containers, packaging, tools, measuring devices, fixtures, samples, or any other objects made available, even on a lending basis, that are, under the terms of the contract, in the possession of the Supplier ("Provided Materials") are not or do not become the property of the Supplier but rather remain the property of KUKA unless something to the contrary has been expressly agreed. Provided Materials must be controlled and inspected by the Supplier without undue delay – any defects must be reported in writing to KUKA without undue delay. The Supplier may only use the Provided Materials for the production of Contractual Items and may not use them or allow others to use them for purposes other than these without KUKA's prior written consent.
2. Provided Materials must be clearly marked as being the property of KUKA, and they must be kept in safe custody – in a secure manner and separate from other items – free of charge for KUKA and using the due care and diligence of a prudent business person. The Supplier must treat the Provided Materials in a careful and proper manner, must keep them in good condition at its own expense, and must replace them if necessary, and it must indemnify KUKA for any claims, costs, or damage resulting from or in conjunction with the mounting, usage, storage, or repair of the Provided Materials. The Supplier bears the risk of the Provided Materials as long as they are in its custody or under its control. The Supplier is obliged to insure the Provided Materials at its own expense against all insurable risks (all risk insurance) in the amount of the replacement value. The Supplier hereby assigns to KUKA, in advance, its claims against the insurer. KUKA hereby accepts this assignment.
3. KUKA, or a third party appointed by KUKA, is entitled at any time during normal business hours to enter the business premises of the Supplier and to inspect the Provided Materials and the sketches or notes relating to these.
4. KUKA is entitled at any time, and without having to give a special reason for doing so, to remove the Provided Materials or to demand their surrender. When KUKA makes such a demand, the Supplier

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must surrender the Provided Materials without undue delay, must prepare them for shipping, or must deliver them to KUKA against reimbursement of appropriate transportation costs. The Supplier has absolutely no rights of retention in or liens on the Provided Materials.

### **VIII. Quality Management / Inspection of Incoming Goods**

1. The Supplier must constantly supervise the quality of the Work it performs. The Supplier must maintain a quality control system to this end and must provide proof of it upon request by KUKA. If requested by KUKA, the Supplier must adapt its quality control system to KUKA's standards.
2. Commensurate with the aims of KUKA's quality management system and the quality standard strived for by it, KUKA's system for inspecting incoming goods was modified to avoid making double inspections. Without undue delay after receipt of the delivery of the Contractual Items, KUKA must carry out an "identity and volume" inspection (to check whether the goods are the right ones and in the right amount), and it will inspect the delivery for manifest transport damage. If KUKA discovers a defect here, KUKA must notify the Supplier of this without undue delay. For defects that are not discovered here, KUKA must notify the Supplier of these within a reasonable time after such a defect has been ascertained in the course of properly run business operations. In this regard, the Supplier waives the defence that the notification of the defect was made too late.

### **IX. Liability for Defects**

1. The Supplier warrants that all of the Contractual Items supplied by it a) comply with the specifications, samples, illustrations, and other requirements explicitly imposed on it; b) are free from defects, particularly regarding engineering, design, fabrication, and material; c) are of a market-conform and industry-conform quality; d) do not, through their delivery, use, or other usage, infringe the rights of third parties; e) are suitable for the special purposes for which they were ordered.
2. Should Contractual Items fail to comply with the foregoing warranties ("Defective Contractual Items"), KUKA is entitled to demand that the Supplier either repair the Contractual Items at the Supplier's risk and expense or replace them with defect-free Contractual Items, the choice of which being KUKA's. If the Supplier does not comply with this obligation, or if for other special reasons immediate action must be taken, KUKA is entitled to repair or replace the Contractual Items itself or have them repaired or replaced by a third party.
3. The Supplier must also reimburse KUKA all of the costs incurred in conjunction with the repair or the replacement of Defective Contractual Items (including but not limited to transport, handling, mounting/removal, material, and labour costs).
4. The warranty period is 24 months commencing with delivery to KUKA; if KUKA and the Supplier have agreed that a final acceptance of the Contractual Items is to take place, or if this is mandatory pursuant to the governing law, then the warranty period is 24 months commencing with the completed final acceptance of the Contractual Items. Claims made by KUKA that have come into existence during this warranty period are barred by limitation at the earliest 6 months after the time the claim comes into existence, however not before the end of the limitation period that has been agreed to.
5. The rights of KUKA agreed to in this section are supplementary to each and every other statutory or contractual right.

### **X. Liability and Insurance**

1. The Supplier must compensate or indemnify KUKA for all directly or indirectly arising claims (including but not limited to claims arising from homicide, injury to the body or health, damage to property, or any other rights), damage, costs, expenditures, and losses that have been caused by the supply of Defective Contractual Items or by the breach of any other contractual obligation or duty. In the event that such liability of the Supplier requires negligent action by law Supplier's obligation shall apply except to the extent Supplier did not act negligently.

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2. If any of the Work of the Supplier involves working on the business premises of KUKA or one of its customers, the Supplier must, during this period of work, take all precautionary measures to prevent injury to persons or damage to property. The Supplier must compensate and indemnify KUKA for all damage, costs, and expenditures occasioned by the Supplier's work on the business premises unless the Supplier did not act negligently.
3. The Supplier is liable for the culpable acts of its representatives and sub-contractors to the same degree as its own.
4. The Supplier undertakes, particularly with respect to personal injury, property damage, and pecuniary loss, to assume and to warrant insurance coverage that is appropriate and industry-conform both in terms of its subject matter and the amount of coverage. Upon KUKA's request, the Supplier must provide KUKA with the respective confirmations of insurance coverage. The Supplier hereby assigns to KUKA, in advance, all of its claims against the insurer to benefit payments in conjunction with the Contractual Items. KUKA hereby accepts this assignment. The concluding of insurance contracts and the assigning of insurance claims do not effect a limitation of the Supplier's liability.
5. The rights of KUKA agreed to in this section are supplementary to all other statutory or contractual rights.

#### **XI. Termination of Contract**

1. In addition to any contractual or statutory rights of termination or rescission, KUKA has the right to terminate the contract or parts of it at any time.
2. In the event of a termination pursuant to sub-section 1 of this section, only the Work that, up to that time, has been performed in compliance with the contract, is complete in itself, and has provably been performed must be remunerated provided that it is usable by KUKA and that ownership in it is being transferred by the Supplier without undue delay. Any other claims of KUKA against the Supplier are not affected by this provision.

#### **XII. Force Majeure**

Delayed or aborted contractual performance in conjunction with the Supply Contract on account of an event of force majeure without error or fault on the part of the concerned party is considered excused for the duration of such event. This presupposes that the concerned party informs the other party in writing without undue delay after the occurrence of the event of force majeure, however no later than three days thereafter, on the nature and the extent of the event of force majeure and its effects, including the expected duration. Events of force majeure are natural catastrophes such as floods, earthquakes, cyclones, tornadoes, hurricanes, or other commonly occurring phenomena of an extreme nature such as fires, unrest, wars, sabotage, terrorist attacks, and other unpredictable and inevitable events. If the Supplier is unable to credibly assure that a delay caused by force majeure will not exceed thirty days, or if a delay caused by force majeure does exceed thirty days, then KUKA is entitled to terminate the contract without being liable to the Supplier.

#### **XIII. Compliance**

1. The contractual parties declare their commitment to a corruption-free business community. They undertake to refrain from any kind of corrupt conduct and any other kind of criminal practices, and to take all necessary measures to prevent such. They undertake in particular to take precautionary measures against the following listed serious transgressions:
  - a) Criminal acts in business transactions, particularly money laundering (Sec. 261 StGB = German Criminal Code), fraud (Sec. 263 StGB), criminal breach of trust (Sec. 266 StGB), forging of documents (Sec. 267 StGB), forging of technical sketches/notes (Sec. 268 StGB), forging of evidentiary-relevant data (Sec. 269 and Sec. 270 StGB), causing the recording of false declarations/facts (§ 271 StGB), concealment of documents (Sec. 274 StGB), and collusive bidding in conjunction with tender invitations (Sec. 298 StGB).

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- b) The offering, promising, or granting of advantages to national or foreign public officials, office holders, or persons under a special obligation to the public service who decisively participate in the granting or execution of contracts (Secs. 331 – 335 StGB).
  - c) The offering, promising, granting/promoting, obtaining of promises (for oneself), and accepting of advantages to/from business partners in exchange for unfair preferential treatment in national or international business transactions (Secs. 299, 300 StGB).
  - d) The disclosure or procurement (for oneself) of trade and business secrets (Sec. 17 UWG = German Unfair Competition Act), and the unauthorized exploitation of (technical) patterns/models (Sec. 18 UWG).
  - e) Violations of the German GWB (Act Against Restraints of Competition) and of European competition and antitrust law.
2. In the event of a breach of an obligation set out in sub-section 1 of this section by one party, the respective other party is entitled to terminate the contract without prior notice.
  3. In the event of a breach of an obligation set out in sub-section 1 of this section by one party, the respective other party is entitled to discontinue any business relationships with the breaching party without any liability or compensation to the breaching party for any legal ground whatsoever.

#### **XIV. General Provisions**

1. The law of the Federal Republic of Germany governs the entering into of this contract, its validity, termination, interpretation, execution, and each and every legal dispute in conjunction with these. The provisions of the United Nations Convention on Contracts for the International Sale of Goods (CSIG) and the conflict of laws rules of private international law, which would require the application of another law, are expressly excluded. The contractual parties agree that Augsburg, Germany is the place of exclusive jurisdiction. Should KUKA bring a legal suit against the Supplier, KUKA is also entitled, at its own discretion, to sue the Supplier in the jurisdiction of the Supplier's principal place of business as well.
2. Should any laws or any other rules cause a provision of these terms and conditions to be invalid or unrecoverable at law, then this provision is to be construed, taking into account the particular case, as being modified or rescinded to an extent that not only allows compliance with such laws or rules but at the same time does justice to the intentions of the parties. The remaining provisions of these terms and conditions are not affected by this.
3. If one party at any point in time does not insist that the other party comply with a provision of this contract, then this does not affect the right to insist on such compliance at a later point in time. The decision of a party to refrain from bringing an action on account of a breach of a provision of this contract does not operate as a waiver of all future rights to bring an action based on a later breach of the same or another provision.

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