GTCP

General terms and conditions of purchase

VALIDITY FROM 01.02.2017

§ 1 General remarks, area of validity
(1) The present general terms and conditions of purchase (AEB) apply to all business relationships with our business partners and suppliers (hereinafter called "vendors"). The AEB only apply if the vendor is an entrepreneur (§ 14 BGB [Civil Code]), a legal entity under public law or a public-sector fund.

(2) The AEB apply in particular to contracts on the sale and/or the delivery of movables (hereinafter also: goods), regardless of whether the vendor manufactures the goods himself or buys it from subcontractors (§§ 433, 651 BGB). The AEB apply in their current version as a framework agreement for future contracts on the sale and/or the delivery of movables with the same seller as well, without us having to refer to these again in individual cases.

(3) These AEB apply exclusively. Deviating, contrary or supplementary general terms and conditions by the vendor shall become a part of the contract only and insofar as we have expressly agreed in writing to their validity. This consent requirement applies in any case, for example even if we accept the vendor's shipments unconditionally in the knowledge of his general terms and conditions.

(4) Individual agreements made with the vendor in a particular case (including collateral agreements, amendments and modifications) shall take priority over these AEB in any case. A written agreement or our written confirmation, respectively, prevails for the contents of such agreements.

(5) Legally relevant declarations and notifications to be submitted to us by the vendor after the signing of the contract (e.g. setting deadlines, reminders, resignation declaration) must be in writing to be effective.

(6) References to the validity of legal provisions serve clarification purposes only. Therefore, legal provisions apply even without such clarification, unless they are directly amended or expressly ruled out in these AEB.

§ 2 Conclusion of contract
(1) Our order is deemed to be binding when written agreement or confirmation is submitted at the earliest. The vendor must point out obvious errors to us (e.g. spelling and calculation errors) and incompleteness of the order including the order documents, for the purpose of correction or completion, prior to acceptance, otherwise the contract is not considered to be signed.

(2) The vendor is obliged to confirm our order in writing within a period of 5 days or in particular to fill the order by shipping the goods unconditionally (acceptance). Belated acceptance is considered a new offer that requires acceptance by us.

§ 3 Delivery time and delivery delay
(1) The delivery time listed by us on the order is binding. If the delivery time is not stated in the order and also was not agreed otherwise, it shall be 2 weeks after conclusion of the contract. The vendor is obligated to inform us promptly in writing if he expects not to

be able to meet the agreed delivery time, for whatever reasons.

(2) If the vendor does not provide his service, or not within the agreed delivery times, or if he defaults on them, then our rights - in particular regarding rescission and compensation - are determined pursuant to legal provisions. The provisions in para. 3 shall remain unaffected.

(3) If the vendor is defaulting, we can – in addition to further legal claims – demand lump-sum compensation for our damage caused by delay in the amount of 0.5% of the net price per complete calendar week, but no more than 5% of the net price of the goods that were delivered behind schedule. We reserve the right to prove that greater damage has been caused to us. The vendor reserves the right to prove that none, or only significantly lower, damage has been caused to us.

§ 4 Service, delivery, transfer of risk, default of acceptance

(1) The vendor is not entitled without prior written approval by us to have the service owed by him rendered by third parties (e.g. sub-contractors). The vendor assumes the procurement risk for his services, unless it is an individual construction.

(2) Shipment within Germany is "free to the door" to the location specified in the order. If the destination is not specified and if nothing else has been agreed, the delivery must be made to our place of business in Coburg. The respective destination is also the place of fulfilment (obligation to provide).

(3) The shipment must include a delivery note listing the date (printing and shipping), the contents of the shipment (item number and quantity) as well as our order identification (date and number). If the delivery note is absent or incomplete, we shall not be held responsible for any resulting delays in processing and payment.

Separate from the delivery note, a corresponding notification of dispatch with the same content must be mailed to us.

(4) The risk of accidental destruction and accidental deterioration of the item is transferred to us upon delivery at the place of performance. Insofar as acceptance has been agreed, this prevails for the transfer of risk. For the rest as well, the statutory provisions of the contract-for-work legislation apply accordingly for acceptance. The transfer or acceptance takes place irrespective of whether or not we are in default of acceptance.

(5) Statutory provisions apply to the start of our default of acceptance. The vendor must, however, still expressly offer his service to us if a specified or specifiable calendar time has been agreed for an activity or involvement to be performed by us (e.g. the supply of material). Should we be in default for acceptance, the vendor can demand compensation for his additional expenditures according to statutory provisions (§ 304 BGB). If the contract relates to an unwarrantable item to be manufactured by the vendor (custom-made item), then the vendor is entitled to additional rights only if we have undertaken to contribute and are responsible for our contribution remaining undone.

§ 5 Prices and payment terms

(1) The price listed in the order is binding. All prices include statutory value-added tax unless it is shown separately.

(2) Unless agreed otherwise on a case-by-case basis, the price includes all services and additional services by the vendor (e.g. assembly, installation) as well as all additional expenses (e.g. proper packaging, portage including any transit insurance and liability insurance). The vendor must take back packaging material at our request.

(3) The agreed price is due for payment within 30 calendar days after complete delivery and service (including acceptance, if agreed) as well as receipt of a proper invoice. If we make the payment within 14 calendar days, the vendor shall grant us 3% discount for the net invoice amount. The invoice must not be included in the shipment but must instead be mailed to us separately.

(4) We do not owe any interest payable after the due date. The vendor's claim for the payment of default interest remains unaffected. Statutory provisions apply regarding the beginning of our default. In any case, however, the vendor is required to mail an overdue notice.

(5) We are entitled to the right of setoff and the right of retention, as well as the objection of breach of contract, to the extent provided by law. We are in particular entitled to withhold payments due as long as we are still owed receivables from incomplete or deficient services against the vendor.

(6) The vendor is entitled to the right of setoff or the right of retention only on condition that counterclaims are established as final by a court of law, or undisputed.

§ 6 Non-disclosure and retention of title

(1) We reserve the rights of non-disclosure and retention of title for images, plans, drawings, calculations, implementation instructions, product descriptions and other documents. Such documents must be used exclusively for the contractual services and returned to us after the contract has been completed. The documents must not be disclosed to third parties, not even after the contract is completed. The confidentiality agreement does not expire until, and insofar as, the knowledge contained in the documents ceded have become public knowledge.

(2) For each case of breach of confidentiality, the vendor commits to pay a contractual penalty in the amount of EUR 50,000 that will not be credited to any damage we suffer as a result of the breach of confidentiality.

(3) The provisions listed above apply accordingly to substances and materials (e.g. software, finished and semi-finished products) as well as to tools, templates, samples and other objects provided to the vendor for manufacture. Such objects must be – so long as they are not processed - kept safe separately at the vendor's expense and must be insured for the usual amount against destruction and loss.

(4) Any processing, mixing or combination of objects provided by the vendor shall be performed by us. If, in processing, mixing or combining these objects with objects by third parties, their title to goods remains in place, then we shall acquire co-ownership in the new object in proportion of the value of the object supplied by us to the other objects.

(5) The assignment of goods to us shall take place unconditionally and irrespective of payment of the price. All forms of extended or prolonged retention of title are excluded at all events so that retention of title claimed to be effective by the vendor, if applicable, shall only apply until the goods delivered to us have been paid.

§ 7 Bad delivery

(1) Statutory provisions apply regarding our rights in the event of material defects and defects of title of the goods (including misdelivery and undersupply as well as improper assembly, inadequate installation, operating instructions and user manual) and in the event of other breaches of duty by the vendor, unless specified otherwise below.

(2) According to statutory provisions, the vendor shall in particular be liable for the goods having the agreed quality at the time of transfer of risk to us. An agreement on quality

shall also include those quality descriptions that are covered by the respective contract or were incorporated in the same manner as these AEB into the contract, in particular by description or reference in our order. It makes no difference in this respect whether the product description originated from us, from the vendor, or from the manufacturer.

(3) Unlike § 442 para. 1 sentence 2 BGB, we are also entitled unconditionally to claims for defects if the defect remained unknown to us due to gross negligence at the time the contract was signed

(4) Statutory provisions (§§ 377, 381 HGB) apply to the commercial obligation to inspect and to give notice of defects, with the following proviso: Our duty to inspect is confined to defects that came to light in external appraisal during our goods receipt inspection including the delivery notes, as well as during our quality control using random sampling (e.g. damage suffered in transit, misdelivery and undersupply). If acceptance has been agreed, there is no duty to inspect. For the rest, it depends on to what extent an inspection in due consideration of the circumstances of the individual case are feasible in the proper course of business. Our obligation to give notice of defects for defects that are found later remains unaffected. In all events, our reproof (notification of defects) is deemed prompt and timely if it is received by the vendor within 5 working days.

(5) If, as a consequence of bad delivery, incoming control becomes necessary that exceeds the usual scope according to para. 4, the vendor shall bear the cost for this.

(6) If the vendor fails to meet his obligation of supplementary performance – at our discretion, by remedy of defects (amendment) or by shipping an item that is free of defects (compensation delivery) – within an appropriate period of time specified by us, then we can remedy the defect ourselves and can demand compensation from the vendor for the necessary expenses, or can demand an appropriate advance payment. If compensation delivery has failed due to the vendor, or is unreasonable for us (e.g. due to special urgency, a threat to operating safety or pending occurrence of excessive damage), no deadline is required; the vendor must be informed promptly, if possible in advance.

(7) Furthermore, we are entitled to reduce the purchase price or to withdraw from the contract in the event of a material defect or a defect of title, in accordance with statutory provisions. In addition, we can claim compensation and reimbursement of expenses according to statutory provisions.

§ 8 Supplier's recourse

(1) We are unconditionally entitled to our right of recourse within a delivery chain as provided by law (supplier's recourse pursuant to §§ 478, 479 BGB), in addition to claims for defects. We are in particular entitled to demand exactly the type of supplementary performance (amendment or compensation delivery) from the vendor that we owe our customer in an individual case. Our legal right to vote (§ 439 para. 1 BGB) is not restricted hereby.

(2) Before we recognize or fulfil a claim for defects asserted by one of our customers (including compensation for expenses pursuant to §§ 478 para. 3, 439 para. 2 BGB), we shall inform the vendor and ask for a written statement stating the facts and circumstances of the matter. If the statement is not provided within a reasonable period of time, and if no cooperative solution is brought about, then the claim for defects actually granted by us is deemed due our customer; in this case, the vendor is responsible for producing evidence to the contrary.

(3) Our claims from supplier's regress shall apply also if the goods were reprocessed prior to us, or one of our customers, selling it to a consumer, e.g. by installing it in another product.

§ 9 Producer liability
(1) If the vendor is responsible for a product defect, he must indemnify us against claims by third parties insofar as the cause is located in his sphere of control and organisation and he is himself liable in external obligation.

(2) In the context of his indemnity obligation, the vendor must refund expenses pursuant to §§ 683, 670 BGB that result from, or in connection with, services for third parties, including the recall actions performed by us. We shall inform the vendor regarding the contents and the scope of recall measures - if possible and reasonable – and give him an opportunity to comment. Further legal claims remain unaffected.

(3) The vendor must take out and maintain product liability insurance at a flat-rate limit of liability of at least EUR 10 million per personal/material damage.

§ 10 Statute of limitations
(1) The mutual entitlements of the contracting parties shall expire by limitation according to statutory provisions, unless agreed otherwise below.

(2) At variance with § 438 para.1 no.3 BGB, the general statute of limitations for claims for defect is 3 years after transfer of risk. If acceptance has been agreed, the statute of limitations begins at the time of acceptance. The 3-year limitation period applies accordingly also to claims from defects of title, whereby the statutory limitation period for material claims for surrender by third parties (§ 438 para.1 no.1 BGB) remains unaffected; claims from defects of title furthermore do not expire in any case so long as the third party can still assert his right - in particular in the absence of a statute of limitations – against us.

(3) The statute of limitations of the sale of goods law including the extension mentioned above apply – to the extent of the law – to all contractual claims for defects. Insofar as wee are also entitled to out-of-contract claims for compensation due to a defect, ordinary statutory limitation applies to this (§§ 195, 199 BGB) unless the application of the period of limitations of the sale of goods law leads to a longer period of limitation in a given case.

§ 11 Performance of work
Persons associated with the vendor who perform work in order to perform contractual work in our business premises, must observe the regulations of the respective work regulations. The regulations for entering and leaving the facilities must be complied with. Liability for accidents suffered by these persons on our business premises is excluded, unless they were caused by us deliberately or through gross negligence.

§ 12 Applicable law and place of jurisdiction.
(1) For these AEB and all legal relationships between us and the vendor, the law of the Federal Republic of Germany applies, to the exclusion of all international and supranational (contract) legal systems, in particular the UN Convention on Contracts for the International Sale of Goods. Requirements and effects of title retention are subject to the law at the respective location of the subject-matter, insofar as the choice of applicable law in favour of German law is impermissible or ineffective.

(2) If the vendor is a merchant within the meaning of the code of commercial law, a corporate body under public law, or a public-sector fund, the exclusive – even international – place of jurisdiction for all disputes arising from the contractual relationship is our place of business in Coburg. We are, however, also entitled to file a suit at the place of fulfilment of the delivery obligation.