

General Terms and Conditions of Purchase

- Eugen Forschner GmbH in 78549 Spaichingen, Germany, and
- Forschner PTM GmbH in 78601 Mahlstetten, Germany, and
- Forschner PTZ spol. s.r.o. in Otrokovice, Czech Republic, and
- Forschner spol. s.r.o. in Uherske Hradiste, Czech Republic

1. General

These General Terms and Conditions of Purchase and Contract apply exclusively, even if we do not make specific reference to them, for all supplies and services carried out by companies (§ 14 BGB (German Civil Code)), legal entities governed by public law or special funds under public law (hereinafter the "SUPPLIER") on our commission. They also apply for all future contracts between us and the SUPPLIER. Differing or additional General Terms and Conditions of Business belonging to the SUPPLIER only apply if and to the extent to which they are explicitly approved by us.

2. Conclusion of Contract

- Orders are only binding for us if they have been explicitly declared or confirmed by our purchasing department. Where such a system is established between us and the SUPPLIER, its transmission by remote data transfer is sufficient for a binding order.
- The SUPPLIER must adhere to our request in the quotation as regards quantity, procurement and execution.
- With SUPPLIERS of parts for series production, the contract for such parts is concluded at the latest after three working days if the SUPPLIER has not explicitly declined the order. SUPPLIERS of parts, which are not for series production, have to declare whether they will carry out the order within 3 days of receiving the order. Otherwise, we are entitled to retract from the order.
- Should the supply deviate from the information in our order, this deviation is only considered to be at our expense if we were made aware of the deviation in writing before delivery and explicitly agreed to this.

3. Conditions and Time Periods for Supply

- If not agreed otherwise in the order, delivery takes place DDP (Incoterms 2010) to our factory specified in the order. A delivery note is to be attached to all deliveries and must contain the following information: FORSCHNER article number, article description, quantity of delivery, order number, specified delivery location and customs tariff number, if applicable. The SUPPLIER insures the transportation risks at his own expense through suitable insurance and provides us with the insurance papers upon request. If the freight costs are to be borne by us due to a special agreement, then the SUPPLIER must select the least expensive mode of shipment.
- The agreed delivery dates are binding for the SUPPLIER. Adherence to a delivery deadline is considered to have been fulfilled upon receipt of the goods pursuant to the order by us. If transportation is not carried out by the SUPPLIER himself, then he must make the goods available on time taking into consideration the general lead time for loading and transportation. If only a delivery time is given in the order, then this begins with the date of receipt of the order by the SUPPLIER.
- The SUPPLIER is to inform us in writing immediately if delays in delivery are to be expected. He must state the reasons for the delay and take all necessary measures, without delay, in order to limit the delay to a minimum. The SUPPLIER must state a binding subsequent date for the delivery immediately. Should he fail to do this, or if the subsequent date is not reasonable for us, then we are entitled to retract from the contract. Acceptance of a delayed delivery or service by us does not represent any waiver of claims for damages resulting from delays.
- The supplier must provide us with the goods which are to be delivered to us in good time. A delayed delivery by his own SUPPLIERS does not relieve the SUPPLIER of this.
- In the event of a delay in delivery due to the SUPPLIER, we can, along with further legal claims, demand a lump-sum indemnity for damages caused by delay to the amount of 1% of the value of the contract, however at most 5% of the value of the contract, for each complete week of delay. We reserve the right to claim a provably high amount of damage due to delay. The right is reserved on the part of the SUPPLIER to prove that only minor damage has occurred.
- We are entitled to retract from the entire contract even if the delay in delivery only refers to a partial service.

4. Packaging

- The SUPPLIER must package the goods in such a way that they are secured against damage during transportation. The SUPPLIER shall comply with our packaging instructions. If the SUPPLIER incurs further costs here, then he is to inform us of this immediately after receipt of the packaging instructions so that an agreement about the costs can be reached or the packaging instructions can be changed.

5. Quality Assurance

- The SUPPLIER must maintain a suitable quality management system and must, if not explicitly agreed otherwise, be at least ISO 9001 certified. Furthermore, the SUPPLIER must, if not otherwise explicitly specified, adhere to our guidelines for requirements of vendor parts, which are attached to this contract and also available at <http://www.FORSCHNER.de>.
- During normal business hours, we are entitled to obtain information from the SUPPLIER about the function of the quality management system and the contractual execution of the supply, to take part in tests if we desire, and to carry our checks in the SUPPLIER's factory ourselves.
- The SUPPLIER commits himself to provide us with the same right to information and execution of checks to the same extent from his SUPPLIERS and also to ensure that his SUPPLIERS adhere to a suitable quality management system. Tests carried out by us on the SUPPLIER's premises or those of his sub-suppliers do not release the SUPPLIER from his sole responsibility for the quality of the goods.

- The SUPPLIER has to retain the results of his internal quality controls for third parties, to store these documents for a minimum of 15 years and to convey them to us upon request.
- The SUPPLIER is only entitled to carry out changes in the manufacturing process, which could impact upon the quality of the goods, after prior express agreement from us.
- The SUPPLIER is obligated to carry out production controls, and controls of outgoing goods if applicable, in order to supply the goods ordered by FORSCHNER without defect in quality and quantity. Our test of outgoing goods is limited to an investigation of the received goods with respect to identity, quantity, outwardly visible transportation damage and visible defects. We will indicate defects discovered here to the SUPPLIER without delay, generally within 7 working days. Insofar as the test of incoming goods is restricted, the SUPPLIER waives the right to later object to the indication of defects.
- The SUPPLIER must take out product liability insurance sufficient for his product and prove this to us upon request.
- Further requirements can be regulated in a separate quality assurance agreement.

6. Alteration of Contract, Assignment of Claim

- We are entitled, in the context of the SUPPLIER's capability, to request alterations to the nature of the supply or service retrospectively and to defer delivery deadlines. We will come to an understanding with the SUPPLIER about any consequences resulting from alterations to prices or delivery times, insofar as the SUPPLIER has informed us, in writing, of these consequences at the latest 10 working days after access to our amendment.
- Technical modifications to the product by the SUPPLIER require our prior express agreement. Should the SUPPLIER discover a possibility for a technical improvement or saving of manufacturing costs, he shall inform us of this without delay. Savings in manufacturing costs are to be taken into consideration in the part price immediately.
- The SUPPLIER can only assign his claims against us with our explicit consent. Assignment in advance as part of extended retention of title is excluded from this.

7. Guarantee

- The SUPPLIER guarantees that his supply or service is free of legal and material defects and, in particular, that it corresponds to the given specifications and other execution provisions. This also applies to documents belonging to the supply (drawings, plans etc). The supply or service must be appropriate for the given purpose and, insofar as a stricter standard is not agreed, must correspond to the recognised state of science and technology.
- Insofar as an acceptance process is legally or contractually provided, this requires the signing of an acceptance protocol by an employee named by us. If a delivery is commissioned despite defects, this is not considered as acceptance. All documents necessary for acceptance, operating, maintenance and repair (letter protocols, inspection certificates, drawings, plans, operating instructions, etc) must be supplied by the SUPPLIER, cost-free and in multiple if necessary.
- In the event of defects in delivery or service, we are entitled to statutory guarantee rights. We are entitled to select the type of supplementary performance. The costs for removing the defect, to be borne by the SUPPLIER, also include expenses for packaging, return shipping, removal and installation of the defective part as well as the costs of error analysis. In urgent cases, we are entitled, as an exception and after informing the SUPPLIER, to eliminate defects ourselves or have them eliminated by a third party, at the expense of the SUPPLIER.
- If, due to a defect, it is necessary to deal with defective parts at our premises or those of our customer, the SUPPLIER will have the opportunity to sort this out himself. Should the SUPPLIER not sort this out himself or if he is not able to do this in a time period short enough so as to not impair the production process, then we are entitled, after informing the SUPPLIER of the defective parts, to deal with these ourselves or have them dealt with by a third party, at the SUPPLIER's expense.
- Claims for defects expire 36 months after delivery or, if an acceptance process is used, after acceptance. If the SUPPLIER delivers directly to our customer, the delivery to and/or acceptance by the customer is considered as the beginning of the limitation period. In the event of error elimination by the SUPPLIER connected with considerable expense, the limitation period in respect to parts of the service or supply affected by the defect begins anew.
- If delivered parts cannot be used due to defects in other parts from the same SUPPLIER, the limitation period is extended by a corresponding time period.
- The SUPPLIER must compensate for any damage caused by defects, including consequential damage, unless he is not responsible for the defect. Any fault from his SUPPLIERS and sub-companies must be settled by the SUPPLIER. Consequential damage caused by defects includes the costs of any product recall by us or our customer, insofar as we or our customer are legally obligated to recall the product. Any liability without fault of the SUPPLIER, for example in accordance with the German Product Liability Law, remains unaffected by this.
- If a claim is made against us by a third party due to liability without fault, then the SUPPLIER must exempt us of all claims from the third party to the extent to which he would also be directly liable to the third party. If a claim is made against us by a third party, the SUPPLIER must also indemnify our costs for legal protection and advice resulting from this as part of his obligation to compensate for damages.

8. Force Majeure

- 8.1 No party is responsible if they cannot fulfil their obligations, through no fault of their own, for reasons which are beyond their control, for example in the event of Force Majeure, industrial action, unrest or official measures. The affected party must inform the other party of such hindrances without delay and specify the expected duration of this.
- 8.2 If the incident affects the SUPPLIER, he must take all necessary measures within economically reasonable bounds to fulfil the order. If necessary, he must also fall back on external production capacities. If the SUPPLIER cannot deliver on time due to the incident, we can cover our need from other sources and reduce the order correspondingly, without any justified claims from the SUPPLIER. If the supply or service delay is expected to last for more than 30 days, we can fully withdraw from the order without claims for the SUPPLIER resulting from this.

9. Copyright, Nondisclosure

- 9.1 We reserve all property rights and industrial property rights to figures, drawings, calculations, performance instructions, production descriptions and other documents. Such documents are to be used exclusively for contractual services and to be returned to us after the contract has come to an end.
- 9.2 Documents and information about development, construction, function and manufacture of products, about technology, projects, customers, SUPPLIERS as well as all other information about operational processes which are given by us or by third parties commissioned by us, whether in writing, verbally or in any other form, must be treated by the SUPPLIER as strictly confidential, kept private from third parties and used exclusively for the purposes of collaboration with us. This applies irrespective of whether the documents are explicitly designated as confidential or private or whether they are business or commercial secrets in the legal sense. The obligation to not disclose or use the disclosed information does not apply if and to the extent to which the information was already known to the SUPPLIER before it was disclosed, is or will become evident upon conclusion of contract, is made accessible to the SUPPLIER by an authorised third party, has been developed by the SUPPLIER's employees without their knowledge of this information, or must be made known to the relevant authorities for the purpose of this agreement, to a court or due to legal obligations. The SUPPLIER bears the burden of proof for the existence of these exceptions.

10. Ownership

- 10.1 We obtain the unrestricted right to ownership of the object of the supply and service upon delivery. This applies likewise for documents delivered with this. Insofar as no other written communication from the SUPPLIER is made with the delivery, the SUPPLIER declares upon delivery that he is unrestrictedly authorised to have the object available to him and that no rights of third parties exist.
- 10.2 Contract-related construction and development work is considered as included in the price for the supply or service. We hereby gain the unrestricted, indefinite and gratuitous right to use.
- 10.3 Goods, models and production resources provided by us as part of the business relationships remain our property. The SUPPLIER must investigate goods provided by us in detail for defects immediately after receipt and inform us of any defects without delay. Should objects, which are our property, be processed, reshaped, connected or mixed with other objects, then we gain the ownership of the new object or the connected or mixed objects in proportion to the remaining materials and services, according to the value of our provision.
- 10.4 If the SUPPLIER or a third party commissioned by him for the execution of the order produces tools or other resources, then we gain ownership of these with their manufacture. The costs for the manufacture are considered as included in the part price. The SUPPLIER is obligated to use tools manufactured for us or procured by us exclusively for the manufacture of the goods ordered by us. The SUPPLIER must carry out maintenance and servicing work on the tools in good time and at his own expense. He must indicate any disruptions to us immediately.
- 10.5 The SUPPLIER has to label all objects which are in his possession but which are our property as our property and, if possible, store them separately from other objects. The SUPPLIER commits himself to act carefully with these objects.
- 10.6 The SUPPLIER must insure these objects sufficiently against all common risks, in particular, fire, mains water, theft, hail and storm and prove the insurance to us upon request. The SUPPLIER assigns any claims against the insurer to us. We hereby accept the assignment.

11. Terms and Conditions of Payment

- 11.1 The agreed prices do not include VAT. They are considered as fixed prices and also cover the costs for packaging, insurance, transportation and all additional costs and surcharges, for example for certain raw materials.
- 11.2 Payment takes place via bank transfer or cheque. Insofar as it is not agreed differently in individual cases, we make the payment on the 30th of the month following delivery with a 3% discount, and net within 90 days. The payment period begins upon receipt of a due and proper invoice which corresponds to the respective legal provisions and which includes the respective VAT identification number or tax number, date of supply or service and quantity and type of the invoiced goods. Furthermore, SUPPLIER number, delivery note number, number and date of the order and/or forecast delivery schedule, additional information about the

order (account designation) and the delivery address must also be given. However, in no case does the payment period begin before delivery of the goods specified in the contract or before rendering of the service specified in the contract.

- 11.3 Even if the SUPPLIER delivers before the agreed delivery date, our payment period does not start before the agreed delivery date. In this case, we are entitled to retain the goods or to return them at the SUPPLIER's expense.
- 11.4 We may withhold our payments if claims from us against the SUPPLIER from this business relationship are not settled. The SUPPLIER is only authorised to exercise a right of retention insofar as his counter-claim is due to the same contractual relationship or to an undisputed claim or a claim enforced by law. The SUPPLIER may only offset undisputed counter-claims or counter-claims enforced by law.

12. Right of Retraction

We can retract from the contract without claims from the SUPPLIER against us if insolvency proceedings or comparable proceedings are opened with regards to the SUPPLIER's assets or if the opening of such proceedings is rejected for lack of assets. If the SUPPLIER suspends his payments temporarily, we can likewise retract from the contract without claims from the SUPPLIER being made against us.

13. Security, Environmental Protection and Compliance

- 13.1 The object of the supply or service has to correspond to the valid security provisions in the respective country of designation. Upon request, we will inform the SUPPLIER of the country of designation. The SUPPLIER must attach the respective necessary conformity and manufacture declarations to the delivery unrequested.
- 13.2 The SUPPLIER is obligated to use the resources in the most efficient way possible in the manufacture of parts delivered to us and/or in the execution of services ordered by us. He makes all economically sensible efforts in order to ensure that his deliveries and services have an LCA which is as positive as possible, he avoids waste as far as possible and minimises his energy usage and greenhouse gas emission. The SUPPLIER uses recycled, recyclable, bio-degradable and non-toxic materials.
- 13.3 The SUPPLIER commits himself to adhere to the valid laws and provisions against corruption, bribery, money laundering and other economic crimes in all countries involved in the manufacture and supply or service. The SUPPLIER commits himself to forego any child labour, forced labour and other forms of worker exploitation.
- 13.4 The SUPPLIER will oblige his sub-suppliers corresponding to § 13.

14. Data Protection

All SUPPLIER data from this business relationship is electronically saved by us and evaluated as part of the SUPPLIER management process.

15. Final Provisions

- 15.1 These General Terms and Conditions of Purchase replace all prior General Terms and Conditions agreed between the SUPPLIER and us, verbally or in writing.
- 15.2 Should individual provisions of these General Terms and Conditions of Purchase be ineffective, the remaining provisions remain unaffected by this.
- 15.3 Place of fulfilment for all obligations from this business relationship between the SUPPLIER and us is Spaichingen, Germany.
- 15.4 The courts responsible for Spaichingen are the only courts responsible for rulings over legal disputes resulting from or in connection to this contract. In addition to this, we are entitled to sue the SUPPLIER at his place of general jurisdiction.
- 15.5 German Law applies, excluding the UN Sale of Goods Law.

As of: June 2013/