

General purchasing terms and conditions

1. General

All our orders shall be based exclusively upon these terms and conditions as well as any special agreements; we shall not recognise any opposing terms and conditions or terms and conditions which deviate from these terms and conditions unless we have expressly acknowledged their applicability in writing. These terms and conditions shall also apply if we, while being aware of opposing or deviating terms and conditions, unconditionally accept the goods which were ordered. These terms and conditions shall also apply to all future business dealings with the supplier.

2. Order, contractual conclusion, powers of representation

- (1) If you do not accept our order in writing within 10 working days after its receipt, then we shall be entitled to cancel the order.
- (2) In order to make clear classifications, all correspondence must include our order, GROB identification, requisition and account numbers.
- (3) Only orders made in writing shall be considered to be legally binding. Orders made orally must be confirmed by our purchasing department in writing to be legally valid. This may – upon prior written agreement – also be made through long-distance data transmission or through machine-readable data carriers.

All understandings reached between the contractual parties in conjunction with an order until an agreement is concluded must be fixed in writing on the order form. No oral ancillary agreements have been made.

Any subsequent amendments or supplements may be agreed only with our purchasing department. Other departments are not authorized to do this. Thus, understandings reached with other departments must be confirmed in writing by our purchasing department in order to be valid.

- (4) The preparation of your bids shall be made upon a free-of-charge basis for us.

3. Confidentiality, advertising

- (1) All technical, economic and other data and information, where not generally known or publicised, which result from business links with ourselves or which relate to the same, shall be maintained – even after the end of the business links – strictly confidential; they must only be made accessible for the execution of our orders and only to those employees, subcontractors and other third parties, whose involvement in the fulfilment of the order is required based on your operational circumstances. These employees shall also be obliged to maintain corresponding confidentiality; and the same shall apply to any subcontractors or other third parties, who you may commission in the fulfilment of our order.
- (2) You may disclose the business relationships with us to third parties and in advertising materials in each case only after having received our written approval to do so.

4. Design documents/data

- (1) We reserve the rights of ownership and proprietary rights to illustrations, sketches, calculations, other documents of all types as well as models and samples; they may not be passed on to third parties without our express written approval; they are to be used exclusively for production based upon our order and must be returned to us after the order is completed without our having to request this and without making use any right of retention; they may not be disclosed to third parties; Clause 3 Paragraph (1) shall apply accordingly.
- (2) You may neither use the products yourself which are manufactured based upon our data, drawings, models or the like nor offer or supply them to third parties.
- (3) Any drawings, descriptions, calculations or other documents of all kinds pertaining to the order are binding upon execution of the order, but must be checked for any loopholes, discrepancies or mistakes prior to the contractually stipulated execution of the order. Any loopholes, discrepancies or

mistakes must be notified to us in writing instantly. Furthermore we will see to it that you are informed in time of any relevant documents, data and circumstances essential for the contractual execution of the service/delivery as well as for the intended use of the service/delivery. In case of any violation of the aforementioned duties you may not have the right to refer to the absence of these documents, data and circumstances or of any existing loopholes, discrepancies and mistakes. Any further claims resulting herefrom remain unaffected.

5. Prices and Terms of Payment

- (1) The agreed prices are considered to be fixed prices. Subsequent payment claims of all types are excluded. The costs for packaging and transport to our designed shipping address or utilisation site as well as for customs duties and insurance are included in these prices. The agreement regarding the place of performance shall not be affected by the type of pricing.
- (2) Invoices must be separately submitted to us in duplicate form after delivery is made by specifying both the statutory value-added tax and indicating the complete order number. The agreed purchase prices shall become due for payment no later than when we receive an invoice corresponding to the statutory requirements. The payment shall be made in a customary manner and either within 30 days with a 3 % discount, within 60 days with a 2 % discount or after 90 days with no discounts, based upon the contractual delivery/performance, receipt of the invoice and submission of the documentation in accordance with Paragraph (3), where the last event occurring shall be used for calculating the deadline. In the event that a delivery is not made or only a partial delivery is made, we shall be entitled to retain the entire payment until proper performance is made.
- (3) If certifications for inspections of materials, testing protocols or other documentation are received, they shall form an essential component of the delivery and must be submitted to us separately from the invoices. If possible, the submission of the documentation should also be sent separately from the goods, but must at least be packaged separately.
- (4) Our payments constitute neither an acknowledgement of performance nor a waiver of warranty rights.

6. Delivery and shipping

- (1) We shall accept only those quantities or numbers of units which we have ordered; this shall also apply to products which are specially made for us ("Special-Made Products"). Any delivery overages or underages are permitted only with our prior written approval.
- (2) In order to make any advance and partial deliveries, this must be requested in writing and must be approved by our purchasing department. Deliveries of samples must be labelled as such.
- (3) The shipment shall be made at your risk. With regards to purchasing agreements, risk shall be transferred to us when the receipt of the goods has been confirmed by our designated incoming delivery receiving center. With regards to agreements for work and services or agreements for work and materials, the transfer of risk shall be made, even if the parts required by you for the execution of the order are being stored by you upon our company premises or at our designated incoming delivery receiving center, no earlier than when the entire order is completed and we make acceptance.
- (4) The acceptance of a delivery upon our part shall be made only if the required delivery notice is also provided.
- (5) Each order must be individually packaged.
- (6) Incoming deliveries must be made exclusively on working days (Monday to Friday) from 7.00 a.m. – 04.00 p.m..

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7. Packaging

- (1) The goods must be packaged in an environmentally-friendly manner and in such a way that transport damage is prevented. Packaging materials must be used in the scope which is required for the attainment of this purpose.
- (2) We may send packaging to you at your expense and risk.
- (3) If, as an exception, packaging costs are separately billed to us if this is mutually agreed, then we shall be entitled to send back the packaging to you freight-paid which is in good condition against a refund of 2/3 of the value specified on the invoices for this.

8. Dates of delivery/performance

- (1) The agreed timeframes for delivery or performance are binding. The timeliness of the deliveries shall be based upon when the goods and documentation are received by our designated receiving or utilisation center; for the timeliness of deliveries with installation or mounting work as well as other services, the timeliness shall be based upon their acceptance and the receipt of the documentation. Any changing of the delivery timeframe which deviates from Clause 2 Paragraph (3) without the corresponding approval of our purchasing department shall not prevent the Supplier from entering into default on the originally agreed delivery date.
- (2) If you recognize that an agreed delivery timeframe cannot be met owing to any reasons, then you must immediately notify our purchasing department of this in writing while stating the reasons for and the anticipated duration of the delay.
- (3) If a delivery timeframe is not agreed, then you must render performance within two weeks from the date the order was made. You shall be at liberty to document the appropriateness of a longer delivery timeframe.

9. Force majeure and labour disputes

- (1) Force majeure and labour disputes involving our company shall release us from our delivery acceptance and payment obligations for the duration of the disruption and in the scope of their effect. We assume no liability for service disruptions and damages caused by force majeure or labour disputes at our company.
- (2) We shall be, in whole or in part, released from the obligation to accept the ordered product/service and shall be entitled to withdraw from the agreement if the product/service is not longer usable owing to the delay caused by force majeure or the labour disputes.

10. Design and directives to be followed

- (1) Regardless of fault, you shall guarantee that all deliveries/services are suitable for both their intended and correct, safe and economic use. Regardless of fault, you shall further guarantee that all deliveries/services correspond to the latest state of technology, the relevant legal provisions and the directives, guidelines and norms of governmental agencies, professional associations and trade bodies as amended. Your guarantee shall also apply to all corresponding provisions in the end customer's country if you were aware of them or have been aware of them. If a declaration of conformity with CE symbol or a declaration of incorporation is prescribed for your product in accordance with the EC machinery guideline 2006/42/EC, a confirmation of the risk assessment carried out in accordance with the EU standards shall automatically become a component of our order. When processing orders, you must ensure compliance with all applicable legal rules and regulations, particularly regulations on environmental protection, hazardous materials and accident prevention and ensure the safety of the supply chain in accordance with the customs regulations as well as the generally recognised technical safety requirements and our specified requirements. Any supplemental agreements shall not affect these obligations. If, in the individual case, deviations from such directives or agreements are required, then you must obtain the written approval of our purchasing department for this. If you have objections to our desired designs, then you must immediately notify us of them in

writing. Furthermore, you shall be obliged to notify us of the required measures for the integration of your product.

- (2) You shall be obliged to use environmentally-friendly products and procedures for your deliveries/services and also for the deliveries or ancillary services of your third-party suppliers/service providers to the extent that this is economically and technically feasible.
- (3) You shall be liable for the environmental compatibility of the products and packaging materials supplied and for all consequential damages which are caused by the violation of your statutory waste disposal obligations. Upon our request, you shall issue a quality certificate for the goods supplied.
- (4) You shall guarantee a max. sound pressure level of 72 dB(A).
- (5) The varnishing must be carried out with base and top coat whereby both coatings shall consist of two-component varnishes and shall be resistant to cutting fluids, oils, oil-removing agents and the like. Treads, blank sections, rating or identification plates on components, tubes, synthetic parts and the like should not be given a coat of paint.
- (6) If, in conjunction with your delivery/service, you must render work upon our company premises, then the following shall apply: If the unavoidable work could cause a fire, e.g. welding work on our factory premises to equipment/systems which have fire and explosion hazards such as oil containers, containers, cable systems, etc. or in their close proximity, then such work may be carried out only with the approval of the competent operational manager. If nothing to the contrary is agreed, then you must provide trained fire prevention personnel. After completion of the work, subsequent controlling measures must be carried out. This shall also apply to dismantling and scrapping work.

11. Occupational safety

On accepting the order, you declare that the occupational safety regulations of GROB will be fully complied with in case of any agreed works on our company premises as well as the safety regulations of our end customers based on the currently valid end customer regulations in case of any agreed works on the end customer's company premises by you and your employees and/or any commissioned sub-suppliers. In case of any works on our company premises, in particular the documents FB 1.10-02 "Safety instructions for customers and suppliers actively involved in customer projects" and FB 3.2-08 "Guideline for external companies" (see www.grobgroup.com/downloads/agbs.html) shall apply in their currently valid version. You have to ensure that the relevant employees and/or commissioned sub-suppliers have been briefed on these safety regulations and that they are applied on the GROB premises or the premises of the end customer. You shall be fully responsible and liable.

12. Examination/notification of defects

- (1) We shall immediately notify you in writing of any obvious defects as soon as they are discovered during the ordinary course of business operations, but nonetheless no later than within 10 working days after we receive the delivery. The adherence to this timeframe shall be based upon when the notification of defects is sent.
- (2) The costs for any defective delivery/performance shall be borne by you.
- (3) The signing of a delivery note shall not be considered to be an acknowledgement of unit figures, weights and measures as well as that the delivery or service has fulfilled contractual requirements.

13. Non-contractual delivery/service

- (1) If you do not properly fulfil your contractual obligation in accordance with the affected agreements or statutory directives, then we shall be entitled to our statutory claims in unrestricted fashion. This shall apply particularly if the performance owed is not rendered, not rendered in a timely manner or is flawed.

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- (2) In the event of the defectiveness of the delivery or service, we shall be entitled to, at our discretion, demand that you eliminate the defect or deliver a new object. We expressly reserve the right to damage compensation, particularly to damage compensation instead of performance.
- (3) Notwithstanding the rights specified in Paragraph (2), we shall be entitled to undertake the elimination of the defect or have it undertaken by a third party at your expense and risk if you do not fulfil your subsequent performance obligation within an appropriate notice period we have set or looming danger or a special urgency exists.
- (4) The statute of limitations period for claims for defects shall begin on the date that acceptance is made by our end customer who is specified on our written declaration of acceptance and shall correspond to the timeframe for which we must provide a warranty to our end customer. If our declaration of acceptance contains no information about the end customer or the duration of our warranty period, then the statute of limitations period shall begin to run when the delivery object is transferred to us or our designated third party at our designated receiving or utilisation center and shall amount to three years. If acceptance is delayed through no fault of your own, the warranty period shall begin to run when the delivery object is ready for acceptance.
- (5) The lapsing of the statutory timeframe for claims for defects shall be suspended from the time that the notification of defects is made until the delivery component becomes usable in a defect-free manner. For repaired or replaced parts, the warranty timeframe shall begin anew at this point in time.
- (6) If the agreed delivery timeframe is not adhered to owing to sets of circumstances for which you are responsible, then we shall be entitled, after the fruitless lapsing of an appropriate extension period we have set, to demand at our discretion damage compensation instead of performance, to procure replacement goods from a third party at your expense or to withdraw, in whole or in part, from the agreement.
- (7) You may avail yourself of the defence that the necessary documents were not provided which we were required to provide if you have requested the documents in writing and have not received them within an appropriate timeframe.
- (8) In the event of delayed delivery, we shall, notwithstanding the rights mentioned in Clause 12 Paragraph (1), be entitled to demand 1 % of the total net order value for each day begun of the delay, but nonetheless at most 10 % of the total net order value for the damages created by the delay without our being required to document damages. Nonetheless, you shall be at liberty to document lesser damages. We reserve the right to assert more extensive damages. The assertion of lump-sum default damages may be made until the final payment is made.
- (9) For orders with partial deliveries, we shall also then be entitled to withdraw from the entire agreement if you do not properly fulfil your contractual obligations for even one partial delivery.

14. Product liability

- (1) You shall indemnify us from all third-party damage compensation claims owing to product and manufacturer's liability for damages if and to the extent that their cause lies in your sphere of dominion and organization and you yourself shall be liable to such third parties. In such cases of damages, you shall also be liable for the costs of any required recall campaigns and for those damage compensation payments (including any corresponding legal defence costs which become required), to the rendering of which we find ourselves required to make upon an out-of-court basis to the third party – subject to the consideration of your interests. Any other statutory claims shall remain unaffected.
- (2) You shall likewise assume all costs for measures which are required for the (also providential) elimination of defects, particularly owing to our product controlling obligation.
- (3) You shall label the delivery objects in such a manner that they are permanently recognizable as being your products.

- (4) You shall insure yourself against all risks owing to product liability in an appropriate scope and shall, upon our request, submit the insurance policy to us for our review.

15. Quality assurance

You must carry out quality assurance corresponding to the latest state of technology which is suitable in manner and scope and document this to us upon request. For all components which are to be supplied to us, you shall carry out a documented outgoing goods inspection regarding all features which are required for the impeccable function of the delivery object. Upon request, the testing protocols must be submitted to us for our review, but nonetheless must be archived in any case for a period of 10 years. Provided that we consider this to be required, you shall conclude a corresponding quality assurance agreement with us.

16. Replacement parts and service

- (1) You shall be obliged to supply to us replacement parts for a time period of 10 years after the lapsing of the warranty period for a product you have supplied to us.
- (2) In addition, you shall guarantee that qualified technical personnel as well as expendable and replacement parts are provided within 24 hours after our factory has requested them – even after the lapsing of the warranty. This provision shall apply if you receive the request from Monday to Friday between 7:30 a.m. and 4:00 p.m. If a notification is made after 4:00 p.m., the timeframe shall begin to run from 7:30 a.m. on the following working day.

17. Advertising

The affixing of company nameplates, engravings, etc. on the products you are to deliver is permitted only up to a maximum size of 120 mm x 80 mm and only in the not directly visible area of the end product.

18. Third-party rights

- (1) You shall guarantee that all deliveries are free of third-party rights and that patents, licenses or other third-party proprietary rights are not violated by the delivery, usage, reprocessing or resale of the delivered objects.
- (2) At your expense, you shall defend us and our customers against all third-party claims arising from the violation or restriction of the rights mentioned in the aforementioned paragraph (1) and shall indemnify us in this regard from all court costs and other damage compensation claims. For this purpose, we shall notify you of any claims asserted against us as well as of any warding-off measures and settlement negotiations we undertake.
- (3) If claims are asserted against us, or expected to be asserted against us, owing to the restriction or violation of the rights specified in the aforementioned paragraph (1) in conjunction with the objects you have supplied, you must immediately obtain an unrestricted right of usage at your expense or supply contractual replacement goods which are free of third-party rights. If neither is possible within an appropriate timeframe we set, we shall be entitled to withdraw from the agreement and demand damage compensation.

19. Subcontracting/offsetting

- (1) The subcontracting of the order or essential parts of it to third parties without our prior written approval is not permitted and shall entitle us, in whole or in part, to withdraw from the agreement as well as to demand damage compensation.
- (2) You may only offset with counterclaims or exercise a right of retention, if and to the extent that your counterclaim is deemed indisputable or validly determined.

20. Right of rescission in the event of financial deterioration

If, after the contractual conclusion, an essential deterioration of your financial circumstances occurs and the assertion of our contractual and legal claims against you is endangered, we

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shall be entitled to, in whole or in part, withdraw from the agreement. The deterioration of your financial situation shall then be considered to particularly exist if individual debt enforcement proceedings are commenced against you, an important loan request upon your part is rejected, you discontinue payments or a petition is filed to commence bankruptcy proceedings for your assets.

21. Retention of title

Any ownership rights to the objects supplied by you which extend beyond the simple retention of ownership, particularly an expanded or extended retention of ownership, shall be excluded.

22. Place of fulfillment, jurisdiction, applicable law:

- (1) Unless something to the contrary has been expressly agreed, the place of performance for the delivery obligation shall be our designated shipping address or utilization site; for all other obligations of both parties, the place of performance shall be Industriestraße 4, 87719 Mindelheim.
- (2) The legal venue for all disputes arising between the parties owing to the contractual relationship shall be Munich if it concerns a commercial transaction for both parties and the Supplier is a merchant registered in the commercial register, a juridical person under public law or a special foundation under public law. However, we may nonetheless also assert legal claims against you in your general legal venue.
- (3) The law of the Federal Republic of Germany shall apply for any legal relationships subject to the exclusion of the reference norms of international private law. The United Nations Convention on Contracts for the International Sale of Goods (CISG) and the Hague Conventions Relating to a Uniform Law on the International Sale of Goods shall not apply.
- (4) In the case of the invalidity of individual clauses in the contract, the validity of the other clauses of the contract remain unaffected. Ineffective clauses are to be replaced by those which most closely replicate the purpose sought and its financial significance.

23. General requirements

Internally as well as in our cooperation with our suppliers we pay particular attention to the topics industrial safety, energy savings, environmental protection, social responsibility, and the compliance with corresponding codes of conduct.

Therefore, the following points are basic principles for the cooperation with our suppliers. We expect that you and your employees follow and integrate these points in your decisions and processes. The order of the points does not specify any order of importance.

- Persons should not be harmed when carrying out their activities. The protection of the integrity of the person must be the most valuable asset.
- Active and continuously developed industrial safety (includes, among others, the provision of the necessary personal protective equipment for your employees) is the basis for the avoidance of any adverse health effects.
- Regular and strict compliance with all the applicable laws, regulations and requirements provide a complete compliance with the normative demands.
- When assessing operational actions, also social and ecological aspects have to be considered (concept of sustainability).
- The universal human rights and the principles of equal treatment have to be protected. Any child labour must be strictly rejected, and any mobbing actively prevented.
- Special attention should be paid to a fair remuneration on the part of the contractor. Corresponding national law is taken into consideration.
- On the premises, the freedom of assembly of the employees must be guaranteed within the scope of the applicable national law.
- No employee shall suffer any disadvantage from their joint protection of the rights of employees, for example in collective bargaining.

- Any kind of corruption and bribery has to be rejected and fought with all suitable measures.
- Used minerals/raw materials such as tungsten, tantalum, gold, tin or rare earths, as well as ores such as coltan, must not come from civil war or conflict regions. There may be an obligation to furnish proof (freedom of conflict).
- The continuous promotion and further development of the employees is an essential element for the sustainability of your company.
- The continuous analysis and current reduction of the energy consumption avoids the wastage of energy in the operating environment (production, administration, services, buildings, etc.) and contributes to the manifestation of sustainable economic activities. The same applies to the promotion of and the gradual increase in the use of renewable energies as well as the resource-saving use of raw materials.

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