

General Terms and Conditions of Purchase of FKB GmbH, as of January 2018

I. GENERAL INFORMATION

Our orders and business transactions shall be subject to the following Terms and Conditions of Purchase only. Deviating Terms and Conditions of Sale of the Supplier shall only be valid if we have confirmed them in writing. Acceptance of goods or services without any restrictions or payment of the same shall not be construed as an acceptance of the Supplier's Terms and Conditions by our company.

When the Supplier first delivers subject to these General Terms and Conditions of Purchase, the Supplier also acknowledges their exclusive validity for all further purchase orders and transactions.

II. PURCHASE ORDER / ORDER CONFIRMATION

Our orders must be issued in writing. If the Supplier has not accepted a purchase order within 2 weeks, we shall be entitled to withdraw it.

If a master agreement for certain products has been concluded with the Supplier, no order confirmation shall be required for an order or request for delivery. Individual orders within the master agreement shall become effective if the Supplier does not refuse acceptance within 5 working days after receipt. In case of call-offs acc. to agreed delivery schedule, the Supplier shall not be entitled to refusal.

An order confirmation or acceptance of a purchase order which deviates from the order shall only become effective if confirmed by us in writing.

Any provisions, specifications, standards and any other documents which are attached to or mentioned in the order shall be part of the order.

The Supplier shall treat confidentially the purchase order and all commercial and technical details that are not obvious and that become known to him during the business relationship. The Supplier shall be liable for any damage arising for us from an infringement of the aforementioned obligation.

III. CHANGES OF DELIVERY QUANTITY AND DELIVERY ITEM

Excess or short deliveries due to production are permissible only if agreed upon in writing.

If we request a modification of the delivery item, the Supplier must inform us immediately in writing about any additional increases or decreases in price and any effects on the dates of delivery and provide evidence therefor.

IV. PRICES

Unless otherwise agreed in writing, prices are quoted all costs paid to our factory (CIF INCOTERMS® 2010), including packaging, transport and all additional charges.

Legal value added tax is not included in the prices. It is stated separately in the invoice with the legally applicable amount at the day of invoicing.

V. DELIVERY TIME

Agreed dates and times of delivery shall be binding. When this time is exceeded, the Supplier automatically gets in default without reminder, unless he is not responsible for the failure to meet the deadline. The Supplier shall inform us immediately about any foreseeable delays in delivery.

All agreed delivery dates are binding. The date of receipt at our site is decisive for adherence to the delivery date or deadline. The risk shall pass to us only then.

In case of default in delivery, we are entitled to request a contractual penalty of 0.3% of the net order value of the affected delivery for each complete workday - limited, however, to 5% of the net order value. We are entitled to reserve the right to a contractual penalty until the affected goods are paid for.

Any further rights due to default in delivery remain unaffected; a contractual penalty, however, shall be taken into account. An unconditional acceptance of the delayed delivery shall not be construed as a waiver of our claims for damages. The Supplier's liability for compensation also includes any lump-sum compensation and contractual penalty which we owe to our customer due to the Supplier's default in delivery, provided we have informed the Supplier about the lump-sum compensation or contractual penalty agreed with the customer.

VI. DELIVERY

All shipping documents must include the data prescribed by us, in particular order number, item and identification number, country of origin of the item ordered, dimensions as well as lot size and weight per item. Any costs arising due to non-compliance with our forwarding instructions shall be borne by the Supplier.

As to lot sizes, weights and dimensions, the figures determined in the course of our incoming inspection shall be decisive unless any other evidence can be provided.

Partial deliveries shall require our consent and must be marked as such in the shipping documents. The goods shall be shipped in appropriate packaging in accordance with the general provisions for transportation and freight. The costs for transportation insurance and packaging shall be borne by the Supplier, unless otherwise agreed in writing.

If the Supplier must take back the used packaging pursuant to the packaging regulations, he shall bear the costs for the return transportation and the recycling.

VII. INVOICE AND PAYMENT

For each individual delivery of goods or services, the Supplier shall submit a bill separately from the shipment. The wording of the invoice must correspond to the wording of the order description and the data on the delivery note, in particular with respect to the country of origin of the individual item, and include our order number as well as the date of performance. The exact name of the department within our company which placed the order and the order date must be specified. Any invoices which do not include these details shall be sent back by us and shall not be due for payment.

Unless otherwise agreed in writing, we shall settle payments 14 days after receipt of the correct invoice and the goods with a cash discount of 3 % or after 30 days without deduction, on a 10th, 20th or 30th of the month following the delivery.

If we accept an early delivery to which we are not obligated, the due date is calculated from the agreed delivery date.

In case of faulty deliveries, we shall be entitled to retain payment proportionally until the order has been fulfilled properly, without losing the sales/cash discounts or similar payment benefits.

Our legal rights of set-off or retention shall remain unaffected. The Supplier may only set off against undisputed or legally enforceable claims.

VIII. WARRANTY

The Supplier guarantees that the delivery item is free from material defects or defects of title.

For his deliveries, the Supplier complies with the applicable legislation of the European Union and the Federal Republic of Germany, such as REACH Regulation (EC) No. 1907/2006, the German law on placing on the market, return and environmentally sound disposal of electrical and electronic equipment (Electrical and Electronic Equipment Act - ElektroG) and the German regulation on the disposal, return and environmentally sound disposal of end-of-life vehicles (AltfahrzeugV).

The Supplier shall promptly inform us about relevant modifications to the goods, to their availability, usability or quality due to new legal regulations, in particular of the REACH Regulation, and shall agree with us suitable measures in relevant cases. The same shall apply as soon and as far as the Supplier becomes aware of the fact that such modifications are likely to occur.

We check the goods promptly after having received them according to recognized sampling procedures in the ordinary course of business, at least for obvious and visible deviations of quantity and identity and transport damages. The Supplier waives the objection of late notice of defects if he is notified in writing of the defects detected in the above-mentioned procedure and any defects detected later on at the latest 5 days after they were detected, whereby sending the notification within this period is sufficient.

If it is agreed that the goods are directly delivered to a third party, this third party is responsible for incoming goods inspection. This replaces our inspection.

Unless there is any deviating written agreement, the warranty period for the delivery item shall be 36 months from passing of the risk.

If defects occur in the delivery item within the warranty period, the Supplier shall remedy the defect or replace the goods free of charge - at our option - after written notification with a reasonable deadline set by us.

In urgent cases and for preventing disproportionately high damage, we shall be entitled to remedy the defect ourselves or to have it remedied by a third party after having consulted the Supplier and to request reimbursement of the costs required, unless the Supplier is not responsible for the defect. The same shall apply if the Supplier has failed to remedy the defect after expiration of the deadline set by us in writing.

Other legal rights of set-off or retention shall remain unaffected.

IX. PRODUCT LIABILITY

In the event that a customer or a third party raises any claims against us on grounds of product liability, the Supplier shall be obligated to indemnify us against such claims if and as far as the damage was caused by a fault of the product delivered by the Supplier. In such cases, the Supplier shall bear all costs and expenses including the costs for legal proceedings or product recall. As far as possible and reasonable, we shall coordinate the content and volume of such a recall with the Supplier. In all other respects, the statutory provisions shall apply.

X. PROPERTY RIGHTS

The Supplier guarantees that his delivery does not violate any property rights of a third party. If a third party raises any claim against us for such an infringement, the Supplier shall indemnify us against such claims and bear all necessary expenses in relation to the claim.

XI. DOCUMENTS, SAMPLES

All documents, data, IT information, software and objects (specimens, designs) which we provide to the Supplier for execution of an order shall remain our property. Without our written consent, they shall not be used for other purposes, duplicated or made accessible to third parties. Products which are manufactured by means of our property, according to our instructions or with major participation of our company in the development, may be delivered to third parties only if we have given our written consent.

XII. FINAL PROVISIONS

Our contracts and these General Terms and Conditions of Purchase shall exclusively be governed by German law, under exclusion of the UN Convention on Contracts for the International Sale of Goods (CISG).

Should individual provisions of a contract or these Terms and Conditions of Purchase be invalid, this shall not affect the validity of the remaining provisions. Any invalid provision shall be replaced by a valid provision which comes closest to the purpose of the invalid one.

The exclusive legal venue for all disputes from and in connection with this contract is Rottweil. We shall, however, be entitled to sue the Supplier at his place of business.

The place of performance for all services to be provided by both parties shall be Oberndorf-Aistaig. The Supplier shall carry out the repair at the location where the defective goods are located.