



## General Terms and Conditions of Purchase

Status as of December 2016

Our orders and transactions with business persons shall be exclusively governed by the terms and conditions of purchase specified below. Any deviating GTC of the supplier shall be deemed to have been accepted only if they are confirmed by us in writing as an addition to our terms and conditions of purchase. If they are not recognised by us, we shall not be obliged by any such terms and conditions even if we do not explicitly contradict to them. The same shall also apply if we accept, either in whole or in part, any goods ordered by us or make any payments. Once the first-time delivery under the present terms and conditions of purchase is carried out, the supplier shall also recognise them as being exclusively legally binding for all further delivery relationships.

### 1. Orders

1.1 Any orders and any modifications to orders shall be valid only if they are placed by us in text form or confirmed by us. Any oral arrangements shall be valid only if they have been confirmed in text form.

1.2 The supplier shall confirm the order / modification to the order in text form without undue delay. In the event that no proper confirmation is available to us within a period of five (5) workdays, calculated as from the date of receipt of the order / modification to the order, we shall be entitled to revoke the order, without the supplier being entitled to derive any kind of claims from such revocation.

1.3 We shall be entitled at any time to request changes with regard to construction, deliveries and delivery time in case of any orders not yet completed in full. The interests of the supplier shall be taken into account in this context.

1.4 In the event that the supplier ceases payments or if any insolvency proceedings are initiated with respect to the supplier's assets or in case the supplier asks the supplier's creditors for a settlement out of court, we shall be entitled, notwithstanding any other rights, to withdraw from the agreement in the case of such settlement out of court after setting a reasonable time limit for performance.

### 2. Delivery and Acceptance

2.1 Any delivery shall be in compliance with the order in terms of execution, scope and scheduling and shall be carried out in a timely manner.

2.2 Any delivery dates agreed upon shall be binding and shall serve as a basis for the transaction. Any delays or preventions as a consequence of force majeure shall discharge the supplier only if such circumstances are communicated by the supplier without undue delay. Discharge shall be deemed granted only if the circumstances are attributable neither to the supplier nor to the supplier's sub-suppliers. In addition to the legal regulations, the supplier shall also be obliged, at our request, to surrender the means of production specifically required for the outstanding delivery and, to the extent that they are not our ownership, to reassign them to us against reimbursement of the current market value.

2.3 In case of any non-compliance with any time limits and dates agreed upon, or if the supplier is in default, we shall be entitled to claim compensation for delay in the amount of 0.15% of the delivery value per weekday, but not exceeding a total amount of 5%. This shall not apply to the extent that such non-compliance is not attributable to the supplier. Any farther-reaching statutory claims (withdrawal and compensation for damages in lieu of performance) shall remain reserved. The supplier shall have the right to provide us with evidence demonstrating that no damage was suffered at all as a consequence of such default or that the damage suffered is lower.

2.4 The supplier shall observe the regulations of the respective transport company, freight forwarder and/or carrier. The supplier shall be liable for any damage caused as a consequence of defective packaging. Any packaging costs, cartage and storage fees as well as any and all ancillary shipping costs shall be borne by the supplier. The same shall also apply to any additional costs incurred for any accelerated transport required due to circumstances attributable to the supplier.

2.5 The return shipment of any empty containers and packaging materials, except for non-returnable packaging, shall be carried out on a freight collect basis, at the expense of the supplier.

2.6 An obligation to be discharged at the creditor's domicile shall be deemed to be agreed upon.

2.7 The inspection of the goods delivered in accordance with Section 377 German Commercial Code [HGB] shall be carried out within a period of ten (10) days. The obligation to inspect and to give notice of defects in accordance with this regulation shall be deemed to have been met by us if we inspect any such defects that can be identified during the incoming goods inspection by performing an external assessment of the delivery including the delivery documents. The verification shall include an examination as to proper performance of an advance payment and its correct nature as well as to any external transport damage. The quantities, masses, weights and quality features determined during our incoming inspection shall be authoritative. We shall not be obliged to accept any partial or additional deliveries not agreed upon. We shall be entitled to return or charge at storage costs, at the expense and risk of the supplier, any deliveries rendered prior to the date agreed upon.

2.8 Any natural disasters, unrest, official measures, transport interruptions, labour disputes and other operational disruptions in our area or in the area of our subcontractors which lead to our productions being discontinued or restricted or prevent us from removing the ordered goods from our premises shall relieve us

from our acceptance obligation for the duration and to the extent of their impact, provided that we are unable to ward off such interruption or that it is impossible to ward it off with reasonable means.

### 3. Quality

3.1 In any case of doubt, all notes and confirmations of the supplier shall be evaluated as guaranteed product descriptions and guarantees regarding quality. The supplier shall warrant that the goods ordered are in compliance with the legal requirements and are free of any construction, material and manufacturing defects.

3.2 The supplier shall implement quality control measures which shall be appropriate for the respective nature and scope and in accordance with the latest state of the art.

3.3 In the event that any initial and/or outturn samples are requested from us, the supplier may begin with series production only after our explicit written approval has been given.

3.4 We expect that the supplier will align the quality of the supplier's products to be delivered to us with the latest state of the art on a permanent basis and will point us to any potential improvements as well as technical modifications. Any kinds of modifications to the subject matter of delivery, however, may be made only with our explicit prior consent in any case.

### 4. Prices, Payment and Transfer of Ownership

4.1 As a general rule, the prices specified in the purchase order shall apply free our factories. If, in exceptional cases, the prices had not been agreed upon beforehand, the agreement shall not be deemed to materialise before the prices to be specified in the order confirmation in a binding manner have been accepted by us in text form.

4.2 Any payment shall be effected following receipt of the goods in accordance with the agreement, including the proper accompanying shipping documents, and receipt of the proper and verifiable invoice. Unless any special arrangement has been made, settlement of the invoices shall take place with 3% cash discount up to the 30<sup>th</sup> day of the month following the date of receipt of the invoice or without deduction within a period of 90 days. The time limit shall start to run from the date of receipt of the invoice and delivery and/or completion of the invoice verification process. Any deliveries rendered and accepted prior to the delivery date agreed upon shall be deemed to have been received only as of that date.

4.3 Fulfillment shall be made using means of payment of our choice. We reserve the right to also make use of the cheque and bills of exchange procedure.

4.4 The supplier may assign to us the supplier's claims vis-à-vis us only with our consent.

4.5 If any material or legal defect exists, we shall be entitled to refuse payment until proper subsequent improvement has taken place.

4.6 In the event that we have made any advance payment or have made available any material for processing, title to the ordered goods shall be transferred to us as from the start of their manufacturing process. Handover shall be replaced by the arrangement that the goods shall remain in the possession of the supplier and shall be kept safe for us up to the delivery date agreed upon for handling.

4.7 Any retention of title on the part of the supplier shall become an integral part of the agreement only if the retention of title ceases to exist upon payment of the price agreed upon for the goods subject to retention of title and if we are authorised to further alienate and further process the goods. Any father-reaching retention of title shall be excluded.

### 5. Warranty, Liability, Third-Party Liability Insurance

5.1 Unless anything to the contrary emerges from the provisions specified below, any defective delivery shall be governed by the statutory regulations. We may assert supplementary performance, withdrawal and compensation for damages at our reasonable discretion. In the event that supplementary performance is worth considering in urgent cases and if the supplier is unable to execute such supplementary performance within the time limit set by us for reasons absolutely necessary, we shall be entitled, after prior consultation with the supplier, to carry out the supplementary performance ourselves or to have a third party carry it out or to procure a replacement elsewhere, at the expense of the supplier. The same shall also apply if the supplier comes into default with fulfilling the supplier's warranty obligations.

5.2 The supplier shall be liable for any replacement deliveries and subsequent improvement activities to the same extent as for the original subject matter of delivery; for any replacement deliveries, the warranty obligation shall start to run anew.

5.3 Return shipment of any goods complained about shall be carried out at the expense and risk of the supplier, irrespective of the place where the defective item is located.

5.4 In the event of repeatedly defective deliveries, we shall be entitled, after giving prior warning, to assert the damage suffered and to withdraw from such part of the delivery agreement that has not been fulfilled, as well as to terminate the agreement without notice in case of successive delivery agreements, with any tool costs paid by us and not amortised being reimbursed.

5.5 In the event that any products delivered by us are further processed and if the supplier is responsible for any damage in terms of product liability, the supplier shall indemnify us from any claims for compensation for damages of any third parties to the extent that the underlying cause of the damage subject to product liability is located within the sphere of authority and organisation of the supplier. In the cases of fault-based liability, however, this shall apply only in the event that the supplier is at fault. The supplier shall be obliged to maintain a product liability insurance and an insurance for recalls which shall also cover the relationship

between the supplier and us, with a sum insured maximised twice, in a minimum amount of € 2,000,000 per personal injury and property damage.

### 6. Property Rights of Third Parties

6.1 The supplier shall be liable for ensuring that any utilisation of the goods delivered by the supplier, to the extent that such goods had been constructed by the supplier, do not violate, either directly or indirectly, any domestic or foreign property rights or any other rights not enjoying any special protection and shall indemnify us and our purchasers from all claims resulting from such utilisation. Apart from that, the supplier shall be liable for any further indirect or direct damage suffered by us as a result of the violation of any such rights by the supplier.

6.2 In the event that the supplier notes in connection with the manufacturing process that this might violate any property rights or any property right applications, the supplier shall notify us thereof without undue delay and without request.

### 7. Means of Production

7.1 Any means of production, including, but not limited to, drawings, designs, samples, tools, gauges and the like, which have been made available by us to the supplier or have been manufactured by the supplier in accordance with the information provided by us must neither be alienated, pledged or passed on to any third parties nor utilised in any manner whatsoever for any third parties without our written approval.

7.2 To the extent that we pay any manufacturing materials or any means of production for the supplier either in whole or to a large extent, the supplier shall transfer title to us. Handover shall be replaced by the agreement on a loan contract on the basis of which the supplier shall be entitled to be in possession of the means of production or of the manufacturing materials until any revocation is issued by us. Processing of any substances and assembly of any components shall be made for us. The parties hereto shall be deemed to be in agreement that we shall be the co-owners of the products manufactured using our substances and components at the ratio between the value of the manufacturing materials made available and the value of the product as a whole, with such products being kept safe for us by the supplier in this respect. The supplier shall not be entitled to any right of retention to any such means of production owned by us.

7.3 The costs for maintaining, servicing and renewing any such means of production that are made available by us, are paid by us, in accordance with the information provided by us or are made by us, either in whole or to a large extent, shall, as a general rule, be borne by the supplier. Such means of production may be modified only after we have given our prior written consent. Upon request, they shall be sent back to us at the expense and risk of the supplier.

7.4 The supplier shall be obliged to take out insurance for the means of production against fire, water and damage at the expense of the supplier and on our behalf.

### 8. Business Secrets and Advertising

8.1 The supplier shall be obliged to regard the order and all commercial and technical details associated with the order to be business secrets and shall keep them strictly confidential. The supplier shall oblige the supplier's sub-suppliers accordingly.

8.2 The supplier may refer to the business connections with us in the supplier's advertising only if we have given our prior written approval for such references.

### 9. General Information

9.1 In accordance with Section 33 Para. 1 of the German Federal Data Protection Act [Bundesdatenschutzgesetz (BDSG)], we shall give you notice of the fact that we have stored your data in our IT system for the purposes of ensuring processing of transactions.

9.2 Any order and delivery shall be exclusively subject to the laws applicable in the Federal Republic of Germany. The application of the CISG shall be excluded.

9.3 The place of performance and the place of jurisdiction shall be Waldkraiburg, Germany, or, at our option, the registered office of the supplier.

9.4 If any parts of the terms and conditions of purchase are or become ineffective, the other provisions shall remain unaffected in this respect.

MEDI Kabel GmbH