

GENERAL TERMS AND CONDITIONS OF PURCHASE
for utilization vis-à-vis entrepreneurs
GMS Gesellschaft für Module und Display Systeme mbH

Our orders are subject to the terms and conditions set out in the following unless otherwise agreed in writing. Any terms and conditions of the supplier to the contrary shall only apply if they have been explicitly recognized by us in writing. Without such explicit written recognition, they do not form part of the content of the agreement even if they are stated in the acceptance of the order. The same shall apply if we accept the ordered goods completely or in part or make payments; the execution of the order by the supplier is - also without written confirmation - deemed as recognition of our conditions set out in the following. These conditions shall also apply for all future business transactions with the supplier and solely vis-à-vis merchants.

I. Offers

Offers shall be submitted binding and free of charge.

II. Orders, conclusion of agreement

1. Orders and other declarations are only binding if they are made or confirmed by us in writing.
2. The supplier shall confirm our order in writing within 10 days. Any confirmation received by us after expiry of this period is deemed as a new binding offer.

III. Prices

1. The prices are fixed prices unless any price escalation clause or price reservation is expressly confirmed by us. An order may solely be executed at prices higher than those stated by us with our written consent.
2. Should any daily delivery prices be agreed, the price valid at the day of receipt of material shall apply.
3. The prices are ex works Villingen-Schwenningen including packaging and freight costs. Should anything to the contrary be agreed, we only bear the most favourable costs. All costs incurred to the freight forwarder until handover - including loading and carriage - shall be borne by the supplier.

We reserve the right to accept excess or shortfall deliveries.

IV. Invoice and payment

1. Invoices shall not be enclosed with the shipment, but shall be sent separately after delivery for each order, showing the turnover tax separately and stating our order number and the date of order.
2. Payments are effected by means of payment methods of our choice - refinancing notes (cheque / bill of exchange) are also permitted - within 14 days with 3 % cash discount or within 30 days net. In the event of payment with bills receivable or promissory notes, the discount is borne by us to the conditions applicable at the date of drawing of the bill of exchange.
3. Terms of payment basically begin on the date on which we receive the invoice, but not before the goods have been received by us or the services have been performed.
4. Cash on delivery payment regulations are not accepted by us.
5. Our payments are always effected subject to correction in case of a subsequent complaint. In the event of a defect subject to warranty, we shall be entitled to refuse payment until proper remedial of the defect.

V. Assignment, offsetting

1. Without our prior written consent, which may not be withheld unreasonably, the supplier shall not be entitled to assign their claims against us or have them collected by third parties.

If, contrary to sentence 1 without our consent, the supplier assigns their claims due from us to any third party, the assignment is nonetheless effective. We may, however, at our election, effect payment to the supplier or the third party with discharging effect.

2. The supplier shall only be entitled to offsetting against claims recognised by us or legally ascertained or to assert any right of retention due to such claims.

VI. Object of delivery

1. Concerning the content, nature and scope of delivery and services, only our order is relevant. We shall be entitled to require changes in the type of implementation as well as corrections of obvious typing or calculation errors any time.
2. The drawings, descriptions etc. related to the order are binding for the supplier. However, the supplier shall examine them for any inconsistencies and inform us immediately in writing about any detected or presumed errors. The supplier shall remain solely responsible for any drawings, plans and calculations rendered by them even if they were accepted by us.
3. Unless otherwise specified in the order requirements, the objects of delivery are in good merchantable quality and, insofar as DIN, VDE, VDI or equivalent standards exist, shall be delivered in compliance with the latter. The objects of delivery shall be produced and equipped in such a way that they comply with the safety regulations in force on the date

of delivery, in particular with accident prevention regulations and the results of occupational research.

4. For complete performance of the agreement, the object of delivery (forming an integral part of the agreement) shall be accompanied by complete documentation according to CE standard. If the country of origin of the object of delivery is not Germany, a certificate of origin is required.

VII. Provision, means of production

1. The objects provided by us shall be processed according to the intended use on our behalf and remain our property in each stage of processing. In the event of combination and mixing of the goods with other goods that are not our property, we acquire co-ownership in the new product in the ratio of the value of our provided goods to the value of all goods used for production including the expenses incurred by the supplier. In this respect, the supplier stores the goods for us free of charge. The same shall apply if our property is lost by the combination or mixing.
2. We shall be informed immediately about any legal or actual impairment of the goods provided. In the event of accidental loss or accidental damage of the goods provided, the supplier shall not be entitled to compensation of their expenses for the processing of these goods.
3. Means of production like models, samples, teachings, forms, devices, drawings, data sheets etc. provided to the supplier by us - also in electronic versions - or produced by the supplier or third parties on behalf of the supplier based on our instructions may not be sold, pledged or otherwise transferred to third parties or used or copied for third parties without our written consent. The same applies to the objects produced with these means of production; they may solely be supplied to us unless we give our written consent to any other utilization. Upon completion of the order, the means of production shall be immediately returned to us in proper condition.
4. Tools, forms, devices, templates, films, plates, drawings, engravings, models, samples, data sheets etc. - also in electronic version - ordered or provided by us remain our property or become our property upon acquisition or production. The handover is substituted by the storage of the objects for us by the supplier. The objects shall be marked as our property, thoroughly cared for and repaired and insured sufficiently. Section 690 BGB [*Bürgerliches Gesetzbuch* = German Civil Code] shall not apply in this respect.

The ownership also gives us the right to leave the objects to third parties for production. This shall in particular apply in the event of production problems of the supplier. If we demand return of the objects from the supplier, the supplier shall immediately do so without any right of retention. Irrespective of that, we are willing to leave the products in the possession of the supplier until the deliveries are effected by the supplier according to the order, in particular in due time and at competitive prices.

5. Should the supplier violate the provisions of section 3 and 4, we are - without prejudice to any further rights - entitled to completely or partially withdraw from the agreement and to claim damages instead of performance or compensation for fruitless expenditure.

VIII. Withdrawal

1. We are entitled to withdraw completely or partially from the contract without compensation if the supplier's creditworthiness or ability to effect delivery deteriorates to such an extent that the performance of the agreement is put at risk in our opinion, the supplier ceases their payments, an insolvency proceeding has been opened against the assets of the supplier or the opening of an insolvency proceeding has been rejected for lack of assets.
2. If, due to circumstances for which we are not responsible - in particular force majeure -, the performance of our contractual obligations is impossible or substantially aggravated, we shall have the right to annul the agreement completely or in part or to demand performance at a later date without giving rise to any claims on the part of the supplier in this respect.

IX. Delivery date

1. Any stipulated delivery dates and delivery periods are binding. Delivery periods begin at the date of the order.
2. The date of delivery is the day on which the ordered object of delivery and the shipment documents arrive at the receiving location prescribed by us or on which the services are rendered at this location.
3. If a non-compliance with the date or period of delivery becomes evident, the supplier shall immediately inform us in writing and state the reason and estimated duration in this respect.
4. Exceeding the date or period of delivery triggers the statutory default consequences unless the non-compliance is demonstrably subject to force majeure in the sphere of the supplier or labour disputes that are not the supplier's fault. In this case, the supplier is in particular obliged to compensate the damage caused by the default. The acceptance of subsequently effected deliveries does not constitute a waiver of damages vis-à-vis the supplier.

In the event of non-compliance with the date or period of delivery, we shall be entitled to withdraw from the agreement after a reasonable grace period has been set. Apart from the withdrawal, we shall be entitled to claim damages instead of performance or compensation for fruitless expenditure unless the supplier is not responsible for the non-compliance.

X. Packaging, shipment, acceptance

1. As far as a packaging of the object of delivery is required or common practice, the supplier shall take care of proper packaging at their own expense.
2. Packaging material is only paid by us, apart from the stipulated price, if such remuneration has been explicitly agreed. We reserve the right to return valuable packaging material used for the shipment to the supplier's address, charging back the full cost of lease or the value of the packaging.

3. The shipment shall be effected to the receiving location prescribed by us. Deliveries for which we have to bear the freight costs completely or in part shall be effected in the mode of shipment and modes of freight most favourable to us.
4. In case of deliveries with assembly or installation, the risk passes to us upon acceptance and upon arrival of the object of delivery at the receiving location specified by us for all other deliveries. Until then, shipping and delivery are effected at the risk of the supplier unless we are in default of acceptance.
5. Costs for a transport or breakage insurance are only borne by us subject to a prior written agreement in this respect.
6. Dispatch notes shall be filed immediately after dispatch of each individual delivery. Each delivery shall be accompanied by a delivery note. Our order numbers must be indicated in the shipment documents.
7. If we do not have any proper shipment documents upon receipt of the object of delivery or if our order numbers are stated incorrectly in the shipment documents, any additional costs incurred in this respect are at the expense of the supplier. In such cases, we are also entitled to refuse acceptance of the delivery at the expense of the supplier.
8. Further, we are entitled to refuse acceptance of the object of delivery if the acceptance is rendered impossible or unreasonable for us due to an event of force majeure or other circumstances beyond our control including labour disputes. In such an event, the supplier shall store the object of delivery at their own cost and risk.
9. In the cases stipulated in section 7 and 8, we are not in default of acceptance.
10. If any deliveries are not accepted by us or defective goods are returned, the return transport is effected at the risk of the supplier. The supplier is charged with the equivalent value of the return.

XI. Warranty

1. The warranty obligations of the supplier are subject to the statutory provisions in this respect unless otherwise specified in the following. We shall be entitled to require remedying of the defect or delivery of a non-defective object at our election. In urgent cases, we are also entitled to remedy the defect without further ado or have it remedied by any third party or procure replacement elsewhere at the expense of the supplier. If the supplier is in default with their warranty obligations, we are entitled to withdraw from the agreement.
2. The replacement delivery shall be effected freight and packaging paid. Return deliveries of unusable goods are free of charges for freight and packaging on our part. All costs incurred due to the remedial of defects are at the supplier's expense.
3. Unless agreed otherwise, the warranty period amounts to 2 years. It shall be extended by the time for which the goods cannot be used due to defects. In the event of replacement deliveries, a new period of 2 years begins.
4. Defects which only become apparent when the delivered goods are processed or brought into use can still be notified to us immediately after their detection. In this

respect, the supplier waives the objection of delayed notification of defects. Payments effected by us are not deemed as unconditional acceptance of the goods.

5. If an overall inspection is required as a result of defective delivery which exceeds the normal level of incoming goods control, the supplier shall bear the costs incurred in this respect. In urgent cases, we are also entitled to remove the detected defects ourselves at the supplier's expense.

XII. Production inspections, technical acceptance

1. We reserve the right to examine the quality of the material used during production and before shipment, the dimensional and quantitative accuracy and the general quality of the produced parts as well as the compliance with other provisions of the order on premises of the supplier or their previous suppliers.
2. If we have reserved the right of a technical acceptance of the finished object of delivery at the works of the supplier by us or any third party engaged by us, we or the relevant third party shall be informed about the readiness for acceptance in writing 14 days prior to the readiness for shipment. The material acceptance costs shall be borne by the supplier.
3. The production inspections and / or technical acceptance do not exempt the supplier from their performance and / or warranty obligations.

XIII. Product liability

1. If a damage is caused due to a defect of a product of the supplier, the supplier shall be obliged to exempt us upon first request from any claims for damages made by third parties.
2. In connection to this, the supplier shall also be obliged to reimburse any expenditure arising from or in connection with any recall programme implemented by us. As far as possible and reasonable, we will inform the supplier about the content and scope of the recall programme to be implemented and give the supplier the opportunity to comment.
3. Upon request by us, the supplier undertakes to immediately take out product liability insurance with coverage in an amount determined by us but at least with coverage in the amount of EUR 2 million per event of personal / material damage - global. If we are entitled to further claims for damages, these shall remain unaffected

XIV. Industrial property rights

The supplier warrants that no patents or industrial property rights of any third parties are violated due to the delivery and use of the ordered goods. Upon first request, the supplier exempts us completely from any claims by proprietors of industrial property rights and is obliged to grant us any support and assume the costs in the defence against third-party claims. This shall also apply to third-party deliveries to the supplier which are then forwarded to us.

XV. General provisions

1. All legal relationships between us and the purchaser are exclusively governed by the law of the Federal Republic of Germany. The application of the United Nations Convention on the International Sale of Goods (CISG) and of German international private law are excluded.
2. The place of performance is 78048 Villingen-Schwenningen, Germany. Provided that the purchaser is a merchant, the place of jurisdiction for both parties to the agreement is 78048 Villingen-Schwenningen, Germany, also for actions concerning bills of exchange. We are also entitled to sue the purchaser at the purchaser's general place of jurisdiction.
3. Should any individual provisions and provisions of the agreement be or become invalid, this shall not affect the validity of the remaining provisions. The invalid provisions shall be reinterpreted in that the intended legal and economic purpose is complied with. The same shall apply if a legal gap requiring supplementation arises during the implementation of the agreement. The parties to the agreement undertake to replace the invalid provision immediately by a legally valid provision or to fill the contractual gap.