

FMS Conditions of Purchase

(for purchasing, plant and plant delivery contracts)

- 1. Exclusive validity of our conditions of purchase** Our purchase conditions apply exclusively; we do not accept any conditions of the supplier that are contrary to or deviating from these, unless we expressly agreed to their applicability in writing.

By accepting the order the supplier acknowledges the following conditions of purchase. Our silence vis-à-vis conditions of the supplier that contain other provisions does not under any circumstances indicate consent. In particular, the acceptance of the delivery/service of the supplier does not imply agreement with the supplier terms and conditions of business. Our conditions shall also apply to all future transactions with the supplier. Only orders that have been issued or confirmed by us in writing shall be binding for us. Changes, subsidiary agreements, additions, etc. shall require written confirmation by our purchasing department and all correspondence, stating all complete order data, shall be with this department. The relevant environmental, hazard, dangerous goods and accident prevention regulations are a constituent part and basis of the individual procurement contracts. Performance or other information about technical, physical, chemical, mechanical or other characteristics and DIN, EN, VDE or other standards mentioned that are at a higher level than the company apply for the purpose of guaranteeing quality.

- 2. Right of withdrawal**

If our order is not confirmed within five working days of the date of the order, we are entitled to withdraw it.

- 3. Subcontractors**

The passing on of orders to third parties or the involvement of subcontractors shall only be permissible with our written permission. Even where permission has been granted the third party involved by the supplier shall be the supplier vicarious agent. Should the supplier intend making any changes after the contract has been awarded, he shall inform us of this. These require our written permission and approval. A corresponding arrangement shall apply when deviating from release logs.

- 4. Delivery deadlines and delay in delivery**

The delivery deadlines stated by the supplier are absolutely binding and shall be kept. All goods and services shall be rendered at the specified deadline at the place of performance stipulated by us. The supplier shall bear all consequences resulting from late delivery. As soon as doubts arise that the delivery dates cannot be met, the supplier must advise us of this without delay. We then have the option of retaining the contract, acknowledging the new delivery date, or withdrawing from the purchase agreement. Furthermore, claims arising from the delay in delivery shall not be affected. For each complete week for which the agreed delivery time is delayed we can reduce the price by ½% up to a maximum of 10%, without having to furnish proof that a loss has been incurred. The option to furnish proof that a higher loss has been incurred is not excluded as a result of this. It is also possible for the supplier to furnish proof that the loss incurred is lower.

Should we be subject to a contractual penalty, we shall have the right to apportion this accordingly in line with the extent to which the supplier is to blame. Additional costs incurred as a result of late delivery or non-compliance with our shipping instructions shall be borne by the supplier.

- 5. Nature of the delivery**

All deliveries are to be sent to our Gochsheim plant or the place of performance specified by us with freight and carriage paid.

No packaging charge shall be invoiced for the deliveries. If a charge is made for the packaging, it will be returned, carriage unpaid. The amount charged will be deducted in full from the invoice.

- 6. Transfer of risk and agreement to dispense with a notification of defects**

The supplier shall bear the risk of sending the goods to us or a recipient specified by us. The obligation to dispense with an immediate inspection of the goods and to issue a notification of defects immediately shall be waived by the supplier. Complaints concerning hidden defects that are not found during an average check can be lodged once they have been established. For this reason the defense that a notification of complaint has not been issued in good time shall be excluded. Our findings shall be decisive.

Goods delivered that were not in accordance with the order shall be returned, carriage unpaid. The supplier shall be charged all costs incurred arising from this and possibly also claims for the losses involved.

- 7. Claims for defects**

We shall have the right to apply in their entirety statutory claims for defects. In order to subsequently fulfil the agreement we have the choice of demanding the rectification of the defect or the delivery of a defect-free item or the manufacture of a new work. Subsequent fulfilment shall be in agreement with the supplier and shall take our operational requirements into account. The right is expressly reserved to claim damages, in particular the right to claim for losses incurred instead of the goods or service.

We are entitled to charge the supplier to rectify the defect ourselves in case of imminent danger or if speed is particularly important. The limitation period is two years from the transfer of risk.

- 8. Reservation of Title**

All deliveries become our irrevocable property from the moment they pass into our possession. We do not recognize retention of title.

- 9. Delivery arrangements**

A detailed delivery note is to be provided for each delivery, indicating all our order data and a precise list of what is contained.

- 10. Invoices and payments**

Invoices shall contain precise details with all order data and all delivery data, including the formal tax requirements.

Payments may be paid either minus a 3% cash discount within 14 days of receipt of a correct invoice or the date the goods or service were rendered, or after 30 days minus a 2% cash discount or net after 60 days. We may choose the means of payment. We reserve the right to make payments with our own accepted bill of exchange or a bill of exchange.

- 11. Secrecy**

Documents or manufacturing resources of all kinds such as drawings, samples, models, tools, written explanations, etc., which we make available to the supplier or for which we pay the supplier, remain our property and it is not permitted to make these available to other companies or persons. Manufactured goods produced with the help of our documents or manufacturing resources may also not be made available to third parties.

Confidentiality obligations shall also apply after the orders have been completed.

- 12. Jurisdiction, Contractual Penalty, Applicable Law**

Where the supplier is a businessman defined by the German Commercial Code, a legal person under public law or special funds governed by public law the place where our company has its registered place of business is the exclusive place of jurisdiction for all disputes arising directly or indirectly from this contractual relationship. In addition to this, we are entitled to bring an action at the court that has jurisdiction for the supplier's registered office.

The place of performance for all goods and services as well as payments is our registered place of business, unless otherwise specified in the order.

The contractual language shall be German.

German law shall apply and The Hague Conventions Relating to a Uniform Law on the International Sales of Goods and the Vienna Sales Convention shall be excluded.

- 13. Partial Invalidity**

Should individual provisions of these conditions be or become invalid or impractical, the contract overall and the remaining provisions of these conditions shall still be valid. The parties to the contract undertake to replace the invalid unenforceable condition by another condition which as far as possible has the same financial purpose, taking account of the interests of both parties. A corresponding arrangement applies to gaps.

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