

General Purchasing Terms and Conditions of Grob Aircraft SE

(Notification: This English language version is provided by Grob Aircraft SE for informational purposes. Only the German version of the General Terms and Conditions shall constitute the legal binding version.)

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| <p>1. Scope</p> <p>1.1. The following General Purchasing Terms & Conditions of Grob Aircraft SE (hereinafter: "Grob") apply to the manufacture of works and all goods ordered by the supplier (hereinafter: "Deliveries") as well as to the execution of services (hereinafter: "Services").</p> <p>1.2. These General Purchasing Terms & Conditions comprise an integral part of the respective agreement. Any general purchasing terms and conditions of the Supplier which deviate from these General Purchasing Terms and Conditions are non-binding for Grob even if Grob has not expressly contradicted their validity. The acceptance of deliveries and services as well as their payment shall also not justify any acceptance of the Supplier's general purchasing terms and conditions.</p> <p>2. Agreement</p> <p>2.1. Orders by Grob can only be accepted by the Supplier within a period of two (2) weeks after receipt of the order by way of a declaration in text form.</p> <p>2.2. Supplements and amendments to the orders are subject to prior written consent from Grob.</p> <p>2.3. The Supplier is not entitled to commission sub-contractors without prior written consent from Grob. Any unauthorized sub-commissioning shall permit Grob to withdraw from the agreement and issue a claim for damages.</p> <p>3. Prices and Payments</p> <p>3.1. The agreed-upon prices are fixed prices and exclude subsequent claims of any kind.</p> <p>3.2. Unless otherwise agreed to in writing, all deliveries are to be rendered DAP, INCOTERMS 2010 (head registered offices of Grob, Tussenhausen-Mattsies, Germany).</p> <p>3.3. Payments made by Grob are to be made to the bank account of the Supplier via bank transfer and they are subject to auditing. Payments shall not constitute an acknowledgment of the delivery as being conform to the agreement.</p> <p>3.4. Payments are due thirty (30) days after acceptance of the invoice by Grob. Payment shall be deemed punctual upon receipt of the transfer order at Grob's bank. Grob is entitled to take a cash discount of 3%.</p> <p>3.5. In the event of differences of opinion between Grob and the Supplier, Grob is entitled to omit payment of disputed invoices until the difference of opinion has been resolved.</p> <p>3.6. Default interest owed by Grob shall be calculated in accordance with Para. 288 II, 247 BGB. The assertion of further damages in accordance with Para. 288 IV BGB is excluded.</p> | <p>4. Deliveries and Export Control</p> <p>4.1. Confirmed delivery and service deadlines are binding. In the event that delivery or service deadlines are exceeded, the Supplier agrees to immediately inform Grob of this in writing. The acceptance of a delayed delivery or service by Grob does not preclude any waiver of claims for damages.</p> <p>4.2. The punctuality of the delivery or services shall be based upon the receipt of the delivery or service by the place of receipt specified by Grob in the order.</p> <p>4.3. If the Supplier runs into default, Grob is entitled to enforce a fixed contractual penalty of 0.2% of the amount of the respective delayed product or service for each commenced business day of delay, though no more than 5% in value. Rendering delivery to Grob in accordance to the order shall remain unaffected by the enforcement of this contractual penalty. Additional claims and rights are reserved.</p> <p>4.4. The Supplier is to ensure the proper packaging, shipment and insurance of his goods. The cost of packaging shall be borne by the Supplier. The Supplier is liable for all damage incurred by Grob as a result of improper or insufficient packaging, shipment or insurance.</p> <p>4.5. Shipping documents, such as delivery notes, packing slips, required certificates and barcodes are to be included in the delivery. All documents must contain the order number. The Supplier is to issue Grob a dispatch note in writing no later than the day of shipment of the contractual product.</p> <p>4.6. The Supplier agrees to observe all relevant export requirements. The Supplier shall ensure that the delivery is not subject to export authorization. If so, the Supplier shall acquire all required export authorizations, unless either Grob or a third party is required to apply for a special export approval. In such cases, the Supplier agrees to provide Grob or the third party with all of the necessary information for submitting this application. In the event that the necessary export approvals cannot be obtained, the order shall be deemed as non-completed in regards to the part in question.</p> <p>5. Rights held by Grob for Sales or Works-Contractual Defects</p> <p>5.1. The Supplier guarantees a period of three (3) years as of transfer of risks for sales or works-contractual defects, or a period of two (2) years as off delivery of the final product to the customer by Grob, whichever occurs first. Diverging from Clause 1, the period of limitation for constructions and works, the object of which comprises planning and supervisory services, is five (5) years as of acceptance.</p> <p>5.2. Grob will report defects to the Supplier in written form as soon as these are identified during incoming goods inspection within a period of ten (10) days. If a defect is identified at a later point,</p> |
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the notification must be made within ten (10) days of identification. Insofar, the Supplier waives the objection of late complaints on defects.

5.3. Grob is entitled to enforce the statutory defect-related rights without limitation. As a form of supplementary performance by the Supplier, and upon his discretion, Grob is entitled to demand a defect-free product be delivered or the manufacture of a new work. The right to damage claims is exclusively reserved.

5.4. In addition to the statutory claims, Grob may remedy sales or works contractual defects on his own and demand compensation for the required expenses following the lapse of a reasonable time period. The works-contractual regulation regarding self-fulfillment as laid out in Para. 637 BGB for sales deliveries shall be valid.

6. Rights held by Grob in the Case of Breaches of Service-Contractual Obligations

In opposition to Clause 5, Grob's rights in the case of a breach of service contract-related obligations are determined by the statutory requirements.

7. Quality and Transparency

7.1. The supplier agrees to observe all recognized rules of technology, safety precautions and the individually agreed-upon technical data and standards within the framework of his deliveries and services.

7.2. For the purpose of quality control, Grob staff members shall have access to all of the supplier's offices in which work is carried out for Grob at any time during normal business hours. For the sake of auditing and verification of statutory requirements, Grob staff members must be provided with access to all order-related documents at any time. In the case of an authorized commissioning of sub-contractors, the supplier agrees for these rights to also be granted to Grob through the respective sub-contractor.

7.3. The Supplier agrees to observe all applicable laws, especially provisions and guidelines related to combating bribery and corruption, as well as the requirements of the minimum wage law. Additionally, the Supplier agrees to ensure the observance of the conditions set out by the minimum wage law in the framework of the authorized commissioning of sub-contractors.

8. Supply

8.1. All documents and objects provided to the Supplier by Grob shall remain the property of Grob. They are to exclusively be used for fulfilling orders by Grob. The Supplier is to insure the objects provided to him against loss and deterioration. The Supplier is not entitled to a right of retention on these objects.

8.2. The Supplier agrees to conduct the necessary maintenance and inspection tasks at his own cost.

8.3. Provided that the Supplier processes or remodels objects provided to him by Grob into new movable items, Grob shall be considered the manufacturer. In the case of a combination or inseparable blending of these with other objects,

Grob shall assume co-ownership of the new object in relation to the value that the object held at the time of its combination or blending. If the combination or blending is completed in such a way that the object of the Supplier comes to be seen as the primary component, it shall be agreed that the Supplier transfers proportional co-ownership to Grob, for which the Supplier is to maintain co-ownership for Grob free of charge.

9. Readiness for Delivery and Obsolescence

9.1. The Supplier is to actively keep track the obsolescence of his goods and of their components. Should it become apparent that the Supplier will no longer deliver a product or a component in the future, he must immediately inform Grob of the suspension of deliveries through a written declaration.

9.2. If the Supplier suspends the delivery of goods or components, he is to provide Grob with sufficient time to submit a final order, subject to suitable conditions.

10. Property Rights and Product Liability

10.1. Provided that deliveries and services are protected by patents or copyrights (hereinafter: "property rights"), the Supplier is to furnish Grob with all of the required rights, especially the rights of reproduction, use, operation, release to third parties, adaption, alteration, and those necessary for the use and exploitation of contractual objects. The granting of rights shall be deemed satisfied with the respective compensation in accordance to Clause 3.

10.2. The Supplier is to ensure that the products manufactured by him do not violate any third party property rights. In the case of the violation of such property rights, the Supplier agrees to release Grob of any claims for damages by the third party upon the first request made in writing. A violation of such property rights entitles Grob to exceptionally terminate this agreement.

10.3. The Supplier agrees to thoroughly examine his contractual products for defects and to undertake all possible measures to avoid product liability. Should Grob receive a claim from a third party on account of the defectiveness of a product and should this defectiveness be due in whole or in part to a deficiency on the part of the Supplier, Grob is entitled to request, in writing, release from the third party claim in lieu of compensation for all damages.

11. Termination of Services

11.1. In the event that the Supplier is no longer in a position, or refuses, to render the ordered services or violates the agreed-upon conditions, Grob shall be entitled to cancel the underlying orders, provided that, after receiving a written request, the Supplier fails to provide the services required to satisfy the contract within a period of thirty (30) days after receipt of the request. Additional claims and rights are reserved.

11.2. The statutory regulations for termination of services shall remain unaffected.

12. Ancillary Provisions

- 12.1. German Law shall exclusively apply to all legal relationships between the Supplier and Grob, with the exclusion of its provisions pertaining to conflict of laws.
- 12.2. Should one of the provisions named above be or become ineffective, the validity of the remaining provisions shall remain unaffected.
- 12.3. Supplements and changes to these General Purchasing Terms and Conditions as well as ancillary agreements must be made in writing. This also applies to any waiver of the written form requirement.

- 12.4. Tussenhausen-Mattsies is agreed upon as the place of performance. To the extent permitted by law, the place of jurisdiction for all disputes arising from this contractual relationship shall be Memmingen. Grob is, however, also entitled to file a suit against the Supplier at any other particular or general place of jurisdiction.

Tussenhausen-Mattsies, December 2017
The Board of Directors