General Terms and Conditions of Purchase ("GTCP") of Grass GmbH and all of its Affiliates

1. Applicability of General Terms and Conditions of Purchase ("GTCP")

1.1. These GTCP shall regulate all contractual relations between business enterprises, public-law legal entities and public-law special funds (hereinafter referred to as "Contractor") and Grass GmbH and all of its affiliates (hereinafter referred to as "Customer") and shall apply to all contracts concluded, including without limitation purchase contracts and contracts for work or services of any description.

1.2. The content of the contract will primarily be stipulated by the specific regulations agreed between the Contractor and the Customer as stated in the Customer’s written order letter.

1.3. Unless expressly agreed otherwise, these GTCP as made known to the Contractor shall apply.

1.4. If the Contractor uses general terms and conditions of purchase of his own, the Customer’s GTCP shall be applied in the case of doubt, even if the Customer has not objected to the same.

1.5. These GTCP shall apply to follow-up orders, be made orally or in writing, without the Customer being required to point this out separately.

1.6. Actions in performance of the contract on the part of the Customer shall not be deemed consent to deviating terms of contract of the Contractor. Wherever nonetheless unclear points remain in the interpretation of the contract, they shall be clarified in such a way that contents shall be deemed agreed which are usually agreed in comparable cases.

2. Offer

2.1. Unless expressly agreed otherwise, offers or quotations of the Contractor shall be binding and free of charge. The Contractor shall be bound to offers made to the Customer within eight weeks from receipt of the offer.

3. Written correspondence

3.1. Purchase orders and call orders shall be made in writing (fax, email or data transfer). Oral arrangements shall be legally valid only if they have been confirmed in writing.

3.2. In order to acknowledge the purchase order the Contractor shall send the Customer an unconditional acknowledgement of his order in the form of a signed or stamped copy of the purchase order.

3.3. If at all, the Contractor may only object to terms and conditions of the purchase order, if the Customer receives no written objection within three (3) working days of the date of the purchase order, the purchase order shall be deemed fully accepted by the Contractor.

4. Protection of plans and documents / Secrecy

4.1. Plans, sketches, other documents, such as brochures, catalogues, specimens, presentations and the like which were made available by the Contractor to remain the Contractor’s intellectual property. Any use thereof, in particular any disclosure, reproduction, publication or provision, including not limited to copying, even if only in part, shall require the Contractor’s express prior consent.

4.2. The Customer may at any time ask the Contractor to return all of the documents stated above. The Contractor shall immediately return the same without being requested to do so in the case that no contract is concluded.

4.3. The Contractor undertakes to keep secret vis-à-vis third parties any knowledge he has received by the business relationship.

4.4. If the Contractor prepares documents or renders services that are made available to the Customer and enjoy legal protection, including copyright protection, the Contractor shall grant the Customer an exclusive right to use these works in the case that a contract is concluded or such a right shall be deemed agreed, unless expressly agreed otherwise.

5. Price (purchase price, remuneration)

5.1. Unless expressly agreed otherwise, offers, made by the Contractor shall be free of charge, irrespective of the amount of preparatory work that was necessary for the same. Visits, editing or planning shall not be remunerated. Unless otherwise agreed, no charges shall be payable for specimens. Packaging may only be charged if this is stated separately in the purchase order.

5.2. Unless expressly agreed otherwise, prices shall be deemed inclusive of all taxes and ancillary costs including costs of transport. Agreed prices and prices on which the contract is based shall be deemed fixed prices. Price escalation clauses shall only apply if they were specifically negotiated.

6. Terms of payment (due date, payment by instalments, cash discount)

6.1. After proper delivery (performance) invoices shall be sent to e-billing@grass.

7. Transportation; bearing of risk

7.1. Unless otherwise agreed, the delivery term "DAF" (Incoterms® as amended) shall apply to all deliveries of goods which are ordered by the Customer. In the case of other arrangements in writing, a special provision for transfer to the Incoterms® as amended from time to time may be considered. If an Incoterms® clause that is used is not in line with the Incoterms® applicable at the time of such use, an Incoterms® clause that comes as close as possible to the used Incoterms® clause shall be used.

7.2. Unless expressly agreed otherwise, the Contractor shall bear the cost and risk of transportation of shipments.

7.3. The Contractor shall ensure with each shipment a delivery note which states the purchase order number, item and article number, delivery note number, gross weight and net weight for every item. For lack of appropriate shipping documents the shipment shall not be accepted or handled further in fulfillment of the contract but shall be stored at the Contractor’s cost and risk. The Contractor shall be responsible for proper packaging that is suitable for the relevant means of transport on the basis of the Customer’s shipping regulations. Unless expressly agreed otherwise or unless the shipment is a small one, goods shall be delivered on euro pallets.

7.4. Goods can only be taken delivery of during operating hours that must be agreed between the Contractor and the Customer.

7.5. The Contractor shall enclose instructions on storage and operation in German with the shipment to the Customer without being requested to do so; otherwise the Contractor shall be liable for damage resulting from lack of knowledge of those provisions.

8. Non-performance / Default in delivery or performance

8.1. The Contractor shall ensure flawless and timely delivery of the quantity ordered. Insofar delivery shall be deemed agreed as the quotation and the contract is based. Availability of the goods at the place of use / place of performance stated by or agreed with the Customer shall be decisive for observance of the delivery date or delivery period; unless agreed or stated otherwise, the Customer’s incoming department shall be the place of performance.

8.2. Early delivery shall be permitted only upon the Customer’s written consent. If no such consent is given, the Customer shall be entitled to return the goods or store them with a forwarding agent at the Contractor’s cost and risk. If the Customer accepts an early delivery, the agreed delivery date shall be deemed the actual delivery date.

8.3. In the case of non-observance of dates the Contractor shall be deemed to be in default with no separate reminder being required. In the case of the Contractor’s default the Customer shall be entitled to rescind the contract after setting a reasonable grace period by mere declaration. In the case of the Contractor’s default the Customer shall be entitled to rescind the contract due to such late delivery or performance.

8.4. As soon as the Contractor becomes aware of an imminent delay in delivery or of a delivery of inferior quality the Contractor shall inform the Customer thereof.

8.5. In accepted cases of force majeure, such as strike or lock-out, disruption of operation or similar cases which delay the delivery or performance for more than fourteen (14) days the Customer reserves the right to rescind the purchase order in whole or in part or to demand performance at a later point in time notwithstanding any other rights of his and no special legal claims, such as claims for damages shall accrue to the Contractor.

8.6. With regard to quantities, weights or measures the figures calculated by the Customer during inspection of the goods inspected or investment inspection proved otherwise. Goods shall be taken delivery of subject to the proviso that they are tested for freedom from defects, in particular for accuracy, completeness and fitness and flawless delivery documents.

8.7. An inspection of incoming goods shall only be carried out by the Customer with regard to externally recognisable damage and externally recognisable deviations in identity and quantity. The Customer shall notify such defects without delay. Otherwise, the obligation to inspect defective deliveries of goods pursuant to § 377 UGB is expressly waived.

9. Export Control

9.1. The Contractor shall state the origin and the customs tariff number of every item delivered to him and update the same regularly. The Contractor shall be liable for the accuracy of such information.

9.2. The Contractor shall in any case be informed in writing in advance of any changes to descriptions of goods, customs number and any exports other than those provided for in the customs tariff number. As such changes normally indicate a change of the promised properties of items to be delivered, delivery of such items shall be subject to the Customer’s prior written approval. Approval may be denied with no obligation to state reasons. In the case of non-approval items with a changed origin or customs tariff number can no longer be delivered to the Customer.

9.3. The Contractor undertakes to observe and to comply with the relevant national export control regulations (including sanctions lists, embargo lists, lists of dual-use items, etc.) at the place of dispatch and shall irrespective thereof observe and comply with those of the USA and invoice the Customer thereof in writing. If applicable, the Contractor shall mark the item accordingly and unequivocally
including comprehensive ECN (Export Control Classification Number) details in his offers, acknowledgements of orders and all shipping documents.

10. Contractual penalty
10.1. In the case of default a contractual penalty shall be deemed agreed, which is not to be considered forfeit money, irrespective of the Contractor’s fault.

The contractual penalty shall be 0.5% of the total contract value for each commenced calendar day and shall be limited to 5% of the total contract value. Any damage that exceeds the amount of the contractual penalty shall also be compensated.

11. Cancellation fees / forfeit money
11.1. The Customer shall be entitled to rescind the contract with no obligation to state reasons at any time. The Customer’s liability shall be limited to the damage that has actually occurred and shall not exceed 10% of the purchase price / remuneration.

12. Warranty and damages
12.1. Any derogation from statutory provisions regarding damages or warranty, such as changes in the allocation of the burden of proof, the shortening of periods and the like shall in every single case require the Contractor’s express written consent.

12.2. Any exclusion of liability by the Contractor, in particular on account of warranty or damages, shall be valid only if it has been expressly agreed in writing in the specific circumstances.

12.3. The Contractor shall warrant that the delivery / service possesses the qualities that are usually expected and were promised in the contract and corresponds to the agreed specifications.

12.4. The warranty period shall commence upon acceptance of the delivery / service by the Customer with no complaint. The Customer shall be under no obligation to inspect the delivery / service immediately upon their delivery or to notify defects immediately. Businessman’s duty to inspect defects: The Contractor shall rather be entitled to assert claims on the ground of warranty at any time during the warranty period.

12.5. In the case that defects occur the Customer shall be free to choose between replacement, repair or price reduction, unless the Contractor has a right to cancellation of the contract and makes use of that right. The Customer shall be entitled to send defective goods back at any time and even to send back the entire delivery if only a random sample of the delivery has proved to be defective.

12.6. To the extent that the Customer insists on repair or replacement the Customer shall be entitled to withhold the total payment until complete performance of the service / delivery that is owed.

12.7. The Contractor shall assume full warranty for providing the delivery (service) in accordance with the purchase order and for compliance with all relevant statutory provisions for a period of 24 months from acceptance of the delivery. This does not apply in cases where the law prescribes longer periods and in cases of harm to life, limb or health, in the case of a willful or grossly negligent breach of contract or a minor’s negligence.

12.8. Upon complete remediation of a defect the warranty period shall begin to run again. If a grace period is required due to statutory provisions, a maximum period of three (3) weeks shall be deemed reasonable.

12.9. The Customer’s liability for events not caused through the Contractor’s fault or caused through the Contractor’s slight or simply gross negligence, liability for agents (translator’s note: Erlösungsgehilfen as defined by Section 131a of the Austrian Civil Code [ABGB]), indirect or consequential damage, losses, lost profit or mere pecuniary damage shall be excluded.

13. Product liability
13.1. If the Contractor is held liable under product liability, the Contractor shall indemnify the Customer if and to the extent that the damage was caused by a defect in the goods delivered by the Contractor. In such cases the Contractor shall bear all costs and expenses, including the costs for any legal action or replacement campaign.

13.2. The Contractor undertakes to take out reasonable extended business liability insurance and product liability insurance that is valid worldwide (including in the US and Canada) and includes product-related damage and recall costs with an insurance authorised in the EU.

13.3. In the case of defective delivery / performance the Contractor shall be liable vis-à-vis the Customer for all costs, such as transport costs, sorting costs and costs for rework resulting from the repair of the defect.

14. Quality assurance / environment
14.1. The delivered products shall be in conformity with generally accepted rules of technology (technical standards, regulations, procedures, conditions, etc.) in terms of production, quality and usability. The Contractor shall carry out a quality assurance procedure that is state of the art and suitable in terms of type and scope to ensure the agreed quality and provide evidence thereof to the Customer upon request.

14.2. All products or substances or materials delivered by the Contractor shall be in compliance with Directive 2011/65/EU (RoHS), Regulation (EC) No. 1907/2006 (REACH) and Regulation (EC) No. 1272/2008 (CLP) as applicable from time to time for the restriction of the use of hazardous substances. In addition, all products delivered shall be in compliance with the CE requirements as amended and as applicable from time to time.

14.3. The Contractor shall observe the environmental policies accessible online at www.grass.eu in the company / environmental management section.

15. Title
15.1. Any retention of title by the Contractor shall require a separate express agreement in order to be effective. Any substances and materials provided by the Customer shall remain the Customer’s property and may only be used in accordance with their designated purpose. The same shall apply to items or information provided in the course of the quotation and ordering process. As customer the Contractor shall, in particular, assume the risk of accidental loss, disappearance, deterioration and damage. Goods made or services rendered on the basis of documents, information or items mentioned above must not be made available to third parties without the Customer’s prior consent. After expiration of an order or in the case an order is not accepted any and all documents, items and information related to the process shall be returned without request. They shall not be made available to third parties.

15.2. If the parties have agreed that the Customer bears the costs for tools, lithography, printing plates or the like, they shall become the Customer’s property immediately after payment for the same in full or in part, if so agreed. Unused tools or appliances thus available shall be marked by the Contractor as the property of the Customer free of charge, shall be kept operational and returned after completion of the order upon request. The Contractor shall be entitled to inspect the same on site at any time during the Contractor’s business hours. Tools may be used for purposes other than execution of the Contractor’s orders only upon the Customer’s written consent. The Customer reserves the right to check compliance with the abovementioned points at the production plants of the Contractor and his subcontractors.

16. Secrecy and protection of patentage
16.1. All work or information resulting from the negotiation and execution of purchase orders shall be treated as confidential. The Contractor shall remain the Customer’s property and may only be used in accordance with the existing business relationship with the Customer upon the Customer’s written consent.

16.2. If names and/or addresses of persons are disclosed to the Contractor in connection with the purchase order, the Contractor shall keep them secret and shall not use them for his own business purposes.

16.3. The order placed may neither in whole nor in part be passed on to a third party without the Customer’s written consent. These obligations shall be fully imposed on the subcontractor.

17. Offsetting
17.1. The Customer is allowed to set off claims of his against claims to which the Contractor is entitled. The Contractor has no right of offsetting.

18. Refusal to perform; right to withholding
18.1. In cases of justified complaint, they shall be loaned to the Contractor upon completion of the order. This shall also apply to tools, printing plates and the like the costs of which have been included in the price of the ordered item as agreed. Any tools or appliances thus available shall be marked by the Contractor as the property of the Customer free of charge, shall be kept operational and returned after completion of the order upon request. The Contractor shall be entitled to inspect the same on site at any time during the Contractor’s business hours. Tools may be used for purposes other than execution of the Contractor’s orders only upon the Customer’s written consent. The Customer reserves the right to check compliance with the abovementioned points at the production plants of the Contractor and his subcontractors.

19. Formal requirements
19.1. Any and all agreements, subsequent modifications, amendments, side agreements, etc. shall be made in writing, including an original signature or a secure electronic signature, in order to be valid.

19.2. If names and/or addresses of persons are disclosed to the Contractor in connection with the purchase order, the Contractor shall keep them secret and shall not use them for his own business purposes.

19.3. The order placed may neither in whole nor in part be passed on to a third party without the Customer’s written consent. These obligations shall be fully imposed on the subcontractor.

20. Choice of law
20.1. Unless expressly agreed otherwise, these GTCP shall be governed by Austrian substantive law. Applicability of UN Sales Law shall be excluded.

21. Place of jurisdiction clause
21.1. Unless expressly agreed otherwise, the court at the place of the Customer’s registered office having subject-matter jurisdiction shall have local jurisdiction. However, the Customer shall be entitled to sue the Contractor also at this general place of jurisdiction.

22. Severability clause
22.1. If any provisions of these GTCP are ineffective, the validity of the remaining parts shall not be affected thereby.

22.2. Already at this point in time the Customer and the Contractor undertake, based on the assumption of honesty of the contracting parties, to agree on a substitute regulation that comes as close as possible to the business result of the ineffective provision.