

1. General - Scope

- (1) Our conditions for purchasing are exclusive; we do not acknowledge terms of the supplier that conflict with, or deviate from, our conditions for purchasing unless we have expressly agreed to their validity in writing. Our conditions for purchasing maintain their validity even when we unconditionally accept delivery from a supplier, knowing that terms of the supplier conflict with, or deviate from, our conditions for purchasing.
- (2) All agreements made between us and the supplier on the performance of this contract are stated in writing in this contract.
- (3) Our conditions for purchasing are only valid in transactions with enterprises in accordance with para. 310 sub-para. 1 BGB (*translator's note: German Civil Code*).
- (4) Our conditions for purchasing also apply to future transaction with the supplier.

2. Quotations – Quotation documents

- (1) The supplier is obliged to accept our order by returning a duplicate signed by him within a period of 2 weeks.
- (2) We reserve our rights to ownership and copyright for all illustrations, drawings, calculations and other documents. They are not to be made accessible to third parties without our written consent. They are to be exclusively used for the production associated with the order and they are to be returned to us unasked when the order has been processed. They are to be kept secret vis à vis third parties, in which connection the rules in clause 9 (4) below shall also apply.

3. Prices – Terms of payment

- (1) The price stated in the order is binding. In the absence of other, deviating, written agreements, the price includes carriage free delivery and packing.
- (2) Value added tax at the currently valid rate is not included in the price.
- (3) We can only process invoices when these – as detailed on our order – cite the order number; the supplier is responsible for any consequences ensuing from non-observance, unless he can prove that he is not responsible for them.
- (4) Unless otherwise agreed in writing, we will pay the purchase price less 2% discount within 14 days calculated from the day of delivery and receipt of the invoice or net within 30 days from the date of receipt of the invoice.
- (5) We are entitled to set-off and retaining rights within the scope allowed by law.

4. Delivery time

- (1) The date of delivery stated in the order is binding.
- (2) The supplier is obliged to inform us in writing immediately when circumstances arise, or are recognizable to him or her, which will make it impossible to maintain the fixed delivery time.
- (3) We are entitled to all legal remedies in the case of delay in delivery. We are in particular entitled, after unsuccessful expiration of an appropriate period, to demand compensation for damages instead of performance or withdrawal. In any claim for damages, the supplier has the right to prove that he is not responsible for the breach of duty.

5 Passage of risk - Documents

- (1) Delivery is to be made carriage free unless otherwise agreed in writing.
- (2) The supplier is obliged to state our order number on all shipping documents and delivery notes. We are not responsible for processing delays should the supplier fail to do this.

6. Examining for defects - Responsibility for defects

- (1) We are obliged to check the goods for any deviations in quality or quantity within a reasonable period. The complaint is timely when it is received by the supplier within 5 working days after the receipt of the goods or, in the case of hidden defects, on discovery
- (2) We are entitled to all legal remedies for defects; in all cases we have the right to demand from the supplier elimination of the defect or delivery of a new object, as we chose. The right to compensation for damages, in particular the right to compensation for damages instead of performance, remains expressly reserved.
- (3) We are entitled to carry out elimination of the defect ourselves at the cost of the supplier when there is a risk of loss if no action is taken or if there is a special need for haste after a reasonable period of notice has passed and the defect has not been eliminated. In such cases, supplier's duty to reimburse is limited to the net value of the delivered goods.
- (4) The period of limitation is 36 months, computed from the time of transfer of risk.

7. Product liability - Exemption –Third party insurance

- (1) In as far as the supplier is responsible for damage to a product, he is obliged as soon as we so demand to exempt us from claims for damages by third parties in so far as the cause of the damage lies in the control and organisation area of the supplier and he is liable vis à vis third parties.
- (2) Liability for cases of damages under clause 7 (1) above shall include in accordance with paras. 683, 670 of the German Civil Code and paras. 830, 840, 426 refund of any expenditure that arises either from or in connection with a recall action carried out by us. We will inform the supplier - if possible and reasonable – about the content and extent of the recall measures to be taken, and give him the opportunity to give his opinion. Other legal claims remain hereby unaffected.
- (3) The supplier commits himself to maintain product liability insurance with a lump sum coverage of € 10 million per personal injury/material damage; any further claims for compensation for damages shall remain unaffected.

8. Protective rights

- (1) The supplier is responsible for ensuring that no rights of third parties within the Federal Republic of Germany are violated by his delivery, insofar as he has issued a warranty of title.
- (2) Should a third party make a claim against us, the supplier is obliged as in cases outlined in clause (1) above to release us on our first written demand from any such claims. We are not entitled - without the agreement of the supplier - to reach any agreement, particularly a settlement, with the third party.
- (3) The duty of the supplier to release us relates to all expenditure necessarily incurred by us from, or in connection with, the claims of a third party.

9. Reservation of ownership - Provisions - Tools - Secrecy

- (1) We reserve the ownership of any parts we make available to the supplier. Processing or reconstruction by the supplier is done for us. Should items in which we have a reserved right of ownership be processed together with other objects that do not belong to us, then we acquire co-ownership of the new object in the proportion of the value at the time of mixing of our article (purchasing price plus VAT) to that of the other objects processed.
- (2) Should the article provided by us be inseparably mixed with objects not belonging to us, we shall acquire co-ownership of the new object in the

proportion of the value of our property (purchasing price plus VAT) to that of the other objects mixed as at the time of mixing. Should the mixing be made in such way that the object of the supplier is to be seen as the main object, then it is taken as agreed that the supplier transfers the proportionate co-ownership to us. The supplier so keeps the resulting sole ownership or co-ownership safe for us.

- (3) We retain ownership of tools. The supplier is obliged to use the tools exclusively for the manufacture of the goods ordered by us. The supplier is obliged to insure at his cost the tools belonging to us against damage by fire, water and theft at their value as new. Simultaneously, the supplier hereby transfers all claims for compensation from this insurance and we herewith accept the transfer. The supplier is obliged to timely carry out any necessary servicing and inspection work, as well as all maintenance and repair work, on our tools at his cost. The supplier has to inform us immediately in case of any breakdown. When he culpably fails to do this, claims for damage remain unaffected.
- (4) The supplier is obliged to keep all illustrations, drawings, calculations and other documents that he has received strictly secret. They are only to be disclosed to third parties with our express authorization. The obligation to secrecy remains valid after completion of this contract; it expires when and in as far as the production knowledge contained in the illustrations, drawings, calculations and other documents has become generally known.
- (5) In so far as the value of our rights under clause 9(1) and/or 9(2) above exceed the purchase price for all of our not yet paid goods by more than 10%, we are obliged, on the supplier's demand, to release security rights of our choice.

10. Place of jurisdiction – Place of performance

- (1) Our place of business is the place of jurisdiction in all transactions between us and business people. We have the right, however, to sue the supplier at the court of his own place of residence.
- (2) Our place of business is the place of performance unless otherwise stated in our confirmation of order.