

**General Terms and Conditions of
Purchase**



§ 1 General provisions – Scope of the provisions

(1) Our terms and conditions of purchase apply exclusively; we do not recognise contradictory conditions, or any conditions from the supplier which differ from our conditions, unless we have expressly agreed to their validity in writing. Our terms and conditions of purchase also apply if we accept for deliveries from the supplier unconditionally in the knowledge of conflicting or differing supplier terms and conditions.

(2) All agreements which we conclude with the supplier to the end of executing this contract are recorded in writing in this agreement.

(3) Our terms and conditions of purchase shall only be applicable to companies as defined in § 310 Abs.1 BGB.

(4) Our terms and conditions of purchase are also binding for all future transactions with the supplier.

§ 2 Quote - bidding documents

(1) The supplier is obliged to accept our order within a period of two weeks.

(2) We retain ownership and copyright of all illustrations, drawings calculations and any other documents; they may not be passed on to third parties without our express written consent. Such documentation shall be used exclusively for the purpose of production following our order; on completion of the order they shall be returned to us without our having to make a request. They will be kept secret from third parties; the covenant in § 9 sec. (5) shall also apply.

§ 3 Prices - terms of payment

(1) The price stated in the order shall be binding. In the absence of any other written agreement, the price shall include free delivery including packaging. The return of packaging material requires a separate agreement.

(2) The price includes the applicable rate of value added tax.

(3) We can only process invoices if - according to the specifications of our order - these state the order number stipulated in our order. The supplier shall be held responsible for any and all consequences arising from non-compliance with this duty, unless he furnishes proof that he is not responsible for this.

(4) In the absence of agreement to the contrary, we shall pay the purchase price within 14 days calculated from delivery date and receipt of invoice with 2% rebate or net within 30 days from the date of receipt of invoice.

(5) We are entitled to the legal rights of setting off and of retention on account.

§ 4 Delivery time

(1) The deliver time stated in the order shall be binding.

(2) The supplier is obliged to inform us without delay in writing as soon as circumstances occur or are recognized, which prevent compliance with the stipulated delivery period.

(3) In the event of delay in supply, we are entitled to require flat-rate damages for delayed performance amounting to 1% of the supply value per full week but not more than 10%. We reserve the right to take further legal action (withdrawal from the contract and damages in lieu of performance). The supplier has the right to prove to us that no or significantly less damage has resulted from the delay.

§ 5 Transfer of risk - documents

(1) If no other agreement has been made in writing, delivery shall be effected carriage paid to our works.

(2) The supplier is obliged to state our exact order number on all dispatch papers and delivery certificates; failure to do so absolves us of all responsibility for any resulting delays in processing.

§ 6 Investigating defects – Liability for defects

(1) We are obliged to examine the goods for any deviations in quality and quantity within a reasonable time-limit. The complaint will be deemed to be timely if received within 5 working days from receipt of goods; in the case of hidden defects, from the time of their discovery.

(2) We shall be entitled to the statutory defect claims without restriction; in any case we shall be entitled to request from the supplier a repair of the defect or delivery of new goods as we so choose. We expressly reserve the right to compensation, in particular to compensation instead of performance.

(3) If the supplier is behind schedule, we are entitled to perform the necessary repairs ourselves.

(4) The period of limitation amounts to 36 months, beginning with the transfer of risk, unless the mandatory provisions of §§ 478, 479 BGB (German Civil Code) apply.

§ 7 Product liability – Indemnity – Liability Insurance Protection

(1) If the contractor is responsible for damage to a product, he is obliged to exempt us from claims to compensation for damages from third parties as far as the cause falls under their domain of authority and influence and reach of his organization and he is personally liable in relation to third parties.

(2) Within the scope of his liability for claims pertaining to section (1) the supplier is obliged to reimburse any expenditure in accordance with §§ 683, 670 BGB (German Civil Code) or §§ 830, 840, 426 BGB (German Civil Code) which arise from or in connection with a product recall action which we conduct. We will inform the supplier of the content and scope of the recall measures to be performed - to the extent possible and reasonable - and provide opportunity to make a statement. Further statutory claims remain unaffected.

(3) The supplier undertakes to maintain product liability insurance with a flat rate sum insured of at least 10 million Euro per personal injury claim / property claim for the duration of this agreement; i.e. until expiration of the respective limitation period for claims based on defects. Any further damage claims to which we may be entitled shall remain unaffected.

§ 8 Property rights

(1) The supplier guarantees that no third-party rights within the Federal Republic of Germany are violated in connection with his delivery.

(2) If a third party brings claims against us, the supplier is obliged to exempt us from these claims following the first written request from us. We are not entitled to conclude any agreements with the third party - in particular to agree on a settlement - without the permission of the supplier.

(3) The supplier's duty of indemnification covers all expenditure arising from or accruing in connection with any claims by a third party unless the supplier is unable to furnish proof that he is not responsible for the breach of duty underlying the intellectual property infringement.

(4) The period of limitation amounts to 36 months, starting from transfer of risk.

§ 9 Title retention – Provision of materials – Tools – Confidentiality

(1) Insofar as we provide parts to the supplier, we shall retain ownership of said parts. The processing or remodelling by the supplier will always be effected in our name and on our behalf. If our retained goods are processed together with other objects not belonging to us, we shall acquire co-ownership of the new object in proportion to the value of our goods (purchase price plus VAT) to the other item at the time of processing.

(2) If the article supplied by us is mixed together inseparably with other objects not belonging to us, we shall acquire co-ownership of the new object in proportion to the value of our retained goods (purchase price plus VAT) to the other items at the time of

processing. If the goods

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are mixed in such a manner that the supplier's item is regarded as the main item, the parties hereby agree that the supplier shall transfer proportionate co-ownership of the item to us; the supplier shall hold the sole ownership or co-ownership on our behalf.

(3) We retain ownership of any tools provided; the supplier is obliged to use the tools exclusively for production of the items ordered by us. The supplier further undertakes to insure the tools belonging to us against damage by fire, water and theft, at his own cost and at their new replacement value. At the same time, the supplier cedes as of now all rights to claim compensation from this insurance; we hereby accept the transfer of these rights. The supplier is obliged to ensure the performance of any required maintenance work and inspections as well as all repair and service work on our tools in due time at his own expense. The supplier is to notify us immediately of any instances of malfunction; should he culpably fail to do so, any damage claims will remain unaffected.

(4) To the extent our security interest as defined in sec. (1) and/or sec. 2 exceeds the purchase price of all our as yet unpaid goods subject to retention by more than 10%, we are obliged to release the security interest upon the supplier's request.

(5) The supplier is obliged to treat all received illustrations, drawings, calculations and other documents with the strictest of confidentiality. They may only be disclosed to third parties with our express written consent. This confidentiality undertaking remains valid after this contract has been completed; it will expire if and as far as the illustrations, drawings, calculations and other documents provided and the manufacturing knowledge which they contain become generally known.

§ 10 Place of jurisdiction - place of delivery

(1) If the supplier is a registered trader, the place of jurisdiction is our business location; we are nevertheless entitled to file suit against the supplier at the law courts at his place of domicile.

(2) Insofar as nothing further arises from the order, our registered office shall be the place of performance.
