

1. Scope

1.1 Business deals with Suppliers - including future deals - shall not be subject to any other Purchasing Terms than those set forth herein. A change in these terms must be acknowledged by us in writing to be effective.

1.2 Our Purchasing Terms shall be generally applicable. No other purchasing terms conflicting with or differing from ours shall be accepted, unless we have given express written consent to regard them as valid.

Our Purchasing Terms shall even prevail in cases when a Supplier shipment is unconditionally accepted by us having full knowledge of the Supplier's conflicting or differing purchasing terms.

2. Quotation – Quotation Documents - Ordering

2.1 The Supplier understands that any of our orders shall be acknowledged within two weeks' time. Upon expiry of this time limit, we shall consider ourselves no longer bound by a placed order. Orders are only valid if placed or confirmed by us in writing.

2.2 We retain title of ownership and intellectual property of illustrations, drawings, calculations and other documents that have been provided to the Supplier. Such illustrations, drawings, etc., shall not be made available to any third party, unless we have expressly stated our written consent to do so, and are to be used for no other purpose than that of manufacturing to our order in such cases. Upon completion of an order, they shall be returned to us including possible copies unsolicited. Disclosure to third parties is prohibited.

2.3 Supplier quotations will be considered as firm and binding and involving no charges on our part.

3. Pricing - Terms of Payment

3.1 Prices shall be deemed firm and binding as indicated in our purchase order. Unless otherwise stipulated in any written agreement, the price of "delivered free" shall be considered to include also packaging. The reshipment of packaging shall require a separate agreement.

3.2 Invoices can only be handled if containing an order number as indicated in our purchase order and required under our ordering practice. The Supplier will be held responsible for all consequences resulting from a failure to comply with this requirement.

3.3 Supplier's receivables shall be payable before a goods shipment has completely arrived and the related set of correctly compiled invoicing documents been duly received.

3.4 Unless anything to the contrary has been agreed in writing, we shall pay the sales price fourteen (14) days from delivery and receipt of invoice with 3% discount, or thirty (30) days net from delivery and receipt of the invoice.

3.5 We shall be entitled to set-off and retention as stipulated by law.

3.6 The Supplier shall only be able to assign, pledge or otherwise transfer amounts receivable from us, if he has procured our prior written consent to do so.

4. Delivery Date

4.1 A delivery date shall be final, firm and binding for fulfillment by the Supplier as contained in our order placement (fixed date in accordance with article 376 German Commercial Code). For compliance with a delivery date, the day on which expected goods arrive on our premises shall be decisive. The Supplier shall be under obligation to promptly give written notice if circumstances occur or become known to him that render a specified delivery date unrealistic.

4.2 It will be the Supplier's responsibility to procure all subdeliveries and services as may be necessary to fulfil contractual deliveries and services, including without fault on the Supplier's part.

4.3 If there is a default in delivery, we shall be entitled to claims under statutory law. Notably, we may demand compensation of damage from non-performance rather than contractual fulfilment, after a non-dispensable reasonably fixed grace period has expired.

4.4 In the event of failure to deliver, we shall be entitled to charge a penalty of 1% of the ordered value per week commencing in default, but not more than 10% of the ordered value. We also reserve claims for compensation of further damage. Where we make such claims for compensation of damage, penalties will be set off against any such further damage. We shall be obliged

to state our reservation of charging penalties when settling the invoice that follows a late delivery at the very latest.

4.5 Partial deliveries or deliveries ahead of schedule shall only be permissible if our prior written consent has been obtained. They shall not bind us to effect partial payment or payment ahead of schedule.

5. Risk Passing - Documents

5.1 Except as otherwise stipulated in writing, deliveries shall be free to our address.

5.2 The Supplier shall state our correct order number on all shipping papers and delivery notes. Failure to do so will inevitably cause delays in document handling. No responsibility will be assumed for such delays on our part.

6. Warranty Claims - Notice of Defects

6.1 We shall inspect incoming goods for non-conforming quality and quantity within a reasonable period of time. A defect notice shall be deemed as properly served if dispatched to the Supplier two weeks from receipt of a goods shipment at the latest. In the case of hidden defects, this two weeks' notice period shall not be deemed to commence before knowledge of a defect is actually obtained.

6.2 If goods at the time of arrival on our premises are found to contain defects, we shall have an initial option to demand a remedy of defects or a replacement. A rework will be considered to have failed after the first unsuccessful attempt.

6.3 The Supplier shall bear all expenditure as may be required to remove a defect or provide a replacement.

6.4 If a reasonably fixed grace period has unsuccessfully expired, we shall, at our own option, be entitled to reduce the sales price or withdraw from the contract. We also expressly reserve our right to demand compensation of damage and related expenditures.

6.5 Non-conformities in previously agreed goods properties will already be deemed as considerable if individual goods functions can only be used to a limited degree.

6.6 The statutory period for limitation of warranty claims will be as stipulated by law. The beginning of the statutory period for limitation is at the time of final acceptance of the entire system by our customer. A refusal as provided for under section 203 clause 1 of the German Civil Code shall be stated in writing. For mended or replaced delivery items the statutory term starts to run anew.

6.7 In the event of Supplier's failure to begin fault removal immediately following our request to do so, we shall, in cases of urgency, and, notably to prevent imminent danger, be able to remove such faults ourselves or have them removed by a third party at the Supplier's cost.

6.8 Acceptance, tests, payments or acceptance of submitted drawings by us do not discharge the Supplier from his warranty obligations.

7. Retention of Title – Our Provided Materials & Parts - Tools - Secrecy

7.1 A retention of Supplier's title shall only become part of a contract if deemed null and void on payment of the price that has been agreed for goods delivered under retention of title, and in cases where we are entitled to resell and reprocess such goods in normal business operations. Except as described herein, no other type of Supplier's retention of title shall be accepted.

7.2 Where we provide the Supplier with parts or materials, we shall retain title to such parts or materials. Any processing or transformation thereof by the Supplier shall be deemed to have been performed on our behalf. Where parts or materials are provided to the Supplier with retention of our title and processed together with other objects not in our possession, we shall acquire co-ownership of the resulting product to the same extent in which the value of our provided parts or materials relate to that of the other parts involved at the time of processing.

7.3 Where our provided parts or materials are inseparably combined with other parts not in our possession, we shall acquire co-ownership of the resulting product to the same extent in which any parts under retention of our title relate to the value of the other components that are involved at the time of combination. Should parts or materials be combined in such a manner that the Sup-

plier's component has to be regarded as the main component, it is understood that the Supplier shall grant us a right of proportional co-ownership. The Supplier shall keep our sole or partial property in safe custody in such cases.

7.4 We shall retain title to any tools that are manufactured to our order. The Supplier will be under obligation to employ such tools for no other purpose than that of manufacturing goods to our orders.

7.5 The Supplier shall, at his own cost, provide fire, water and theft insurance coverage for any tools in our possession on reinstatement value terms. He shall carry out necessary maintenance and inspection work duly in time and at his own cost. We shall be immediately notified of any malfunction. If no such notice is given through his own fault, claims for compensation of damage will remain unaffected.

7.6 The Supplier shall keep all provided samples, drawings, calculations and other documents and information in strict confidence. They may not be disclosed to any third party, unless with our express approval. This secrecy requirement shall survive the completion of a contract. It expires if and to the extent that the manufacturing knowledge which is contained in furnished illustrations, drawings, calculations and other documents, enters the public domain.

8. Industrial Property Rights – Rights of Use

8.1 The Supplier warrants that no right of a third party is infringed as a result of his deliveries. He agrees to indemnify and hold us harmless upon first written notification against any and all claims by a third party. This indemnification commitment shall also apply to any expenditure or damage that we incur or suffer due to, or in connection with, an asserted third-party claim.

8.2 Exclusive rights of use and industrial property rights to illustrations, drawings, product descriptions and data sheets are hereby assigned to us inasmuch as such illustrations, drawings, etc., have been compiled or manufactured to our order. We shall own the sole and exclusive right to utilize and exploit these results.

8.3 We shall be entitled to publish any results that were produced or compiled on our behalf. Any publication by a Supplier shall require our prior written approval.

8.4 The period of limitation is 10 years and begins to run from conclusion of contract.

9. Product Liability – Indemnification – Liability Insurance

9.1 Where the Supplier is responsible for a product damage situation, he shall, upon first notification, indemnify us from third-party claims for compensation of damage to the extent that such damage was caused under his own control and organizational responsibility and he is himself liable externally.

9.2 In such cases, the Supplier shall also refund any expenditure resulting from, or in connection with, a recall action that is carried out on our part. We shall notify the Supplier of the content and scope of a projected recall action as far as this appears possible and reasonable, and provide him with a possibility to state his position.

9.3 The Supplier shall maintain a product liability insurance with a coverage of 2.5 million Euros per personal injury or property damage event. Where we are entitled to ongoing claims for compensation of damage, these shall remain unaffected.

10. Miscellaneous

10.1 Except as otherwise specified in a purchasing order, our registered place of business shall be the place of fulfilment.

10.2 For Suppliers who are merchants under the terms of the German Commercial Code, our registered place of business shall be regarded as the exclusive legal venue, unless a different legal venue is prescribed as compulsory by rules of law. We shall however be entitled to file action against the Supplier with the court of competence at the Supplier's registered place of business.

10.3 The foregoing Purchasing Terms and any and all legal relations between us and the Supplier shall be exclusively governed by the Law of the Federal Republic of Germany, to the exclusion of the UN-Convention on Contracts for the International Sale of Goods.