

**§ 1 General Provisions – Scope of Application**

- (1) Our General Terms and Conditions of Purchase shall apply exclusively. We do not recognize terms and conditions of the supplier contravening or deviating from our General Terms and Conditions of Purchase unless we have expressly agreed in writing to their application. Our General Terms and Conditions of Purchase also apply when we accept the supplier's delivery without reservation whilst we are, at the same time, aware of the supplier's terms and conditions contravening or deviating from our General Terms and Conditions of Purchase.
- (2) All arrangements made between us and the supplier for the purpose of executing this agreement must be documented in writing in this agreement.
- (3) Our General Terms and Conditions of Purchase shall also apply to all future business transactions entered into with the supplier.

**§ 2 Offer – Offer Documentation**

- (1) The supplier undertakes to accept our purchase order within a period of 3 working days.
- (2) We reserve property rights and copyrights to illustrations, drawings, calculations and other materials that must not be disclosed to any third party without our express written consent. They are to be used exclusively for production under our purchase order upon completion of which they must be returned to us unsolicitedly. They are to be kept secret from third parties, accordingly the provisions of § 9 section (4) apply additionally.

**§ 3 Prices – Payment Terms**

- (1) The price stated in the purchase order is firm and binding. Unless otherwise agreed in writing, the price includes delivery CPT Birkenfeld (INCOTERMS 2000), including packaging. The return of packaging material needs to be agreed separately.
- (2) The price shown in the purchase order excludes value added tax.
- (3) Invoices cannot be processed unless quoting the relevant order number as requested in our purchase order. The supplier shall be responsible for all consequences arising from non-fulfilment of this obligation unless proof is provided to the contrary.
- (4) Unless otherwise agreed in writing, the purchase price shall be paid with a 2% discount within 20 days from receipt of goods and invoice or strictly net within 60 days from receipt of the invoice.
- (5) We reserve all legal rights of netting of claims and of retention.

**§ 4 Delivery Time**

- (1) The delivery time stated in the purchase order is firm and binding.
- (2) The supplier undertakes to immediately notify us in writing of any circumstance that occurs or that can be anticipated that might give rise to the conclusion that the delivery time agreed upon cannot be met.
- (3) In case of late delivery we are entitled to legal claims. In particular, after the fruitless expiry of an adequate period of respite, we are entitled to claim indemnification instead of delivery and rescission from the agreement.

**§ 5 Transfer of risk – Documentation**

- (1) Unless otherwise agreed in writing, delivery shall be made CPT Birkenfeld (INCOTERMS 2000). The supplier shall liaise with us to determine the appropriate customs tariff numbers.
- (2) The supplier undertakes to meticulously quote our order number on all shipping documents and delivery notes; we are not to be held responsible for processing delays if the supplier fails to comply with this obligation.

**§ 6 Inspection of Defects – Warranty**

- (1) We undertake to inspect the goods for possible identity and quantity deviations as well as visible outside damages within a reasonable period of time. A complaint shall be deemed timely if received by the supplier within 5 working days, counted from receipt of goods or, in case of hidden deviations, from their discovery.
- (2) We are entitled to statutory warranties to their full extent. In any case we shall have the right to demand, at our sole discretion, remedy or delivery of a new commodity. We expressly reserve the right to claim compensation, in particular the right to claim compensation in lieu of performance.
- (3) In case of imminent danger or particular urgency we shall have the right to take corrective action on our own and at the supplier's expense.
- (4) The statutory period of limitation is 24 months, counted from receipt of goods.

**§ 7 Product Liability – Indemnity – Liability Insurance**

- (1) If we are held liable by a third party for violating product liability provisions, the supplier undertakes to indemnify us from and against any such claim or liability if and to the extent that such damage is due to a fault in the contracted item provided by the supplier. In cases of fault-based liability this only applies if the contractor is effectively to be held responsible. If and to the extent that the cause of damage is the contractor's responsibility, the supplier shall carry the burden of proof.

- (2) In the context of § 7 section (1) the supplier undertakes to bear all costs and expenditures including the costs of potential litigation. Other statutory rights will not be affected in any way whatsoever.
- (3) If product recalls are wholly or partially required as a consequence of a fault in the commodity provided by the supplier and unless prohibited by time constraints we undertake to inform the supplier, to offer the opportunity to provide assistance and to communicate with each other to efficiently accomplish such product recall. In case of a product recall as a consequence of a fault in the contracted item provided by the supplier, the supplier shall bear the expenses of such product recall.
- (4) The supplier undertakes to obtain and maintain product liability insurance effective worldwide and at all times during the term of this agreement and until expiry of the warranty period. The sum insured shall be equivalent to twice the amount of the contractor's annual sales to the purchaser, however, it shall not be less than EUR 1 Mio. and shall not exceed EUR 2 Mio. Upon the purchaser's request, a copy of the insurance policy shall be presented. For the sake of clarity, it is stressed that any further claims for damages shall not be affected if the purchaser is entitled to such additional damages.

**§ 8 Industrial Property Rights**

- (1) The supplier warrants that no rights of third parties are infringed in conjunction with the supply of the contracted item.
- (2) If we are nonetheless held liable by a third party for infringing such rights the supplier undertakes to indemnify us from and against any such claim or liability upon our first written request; we are not entitled to conclude any agreements whatsoever, in particular any settlement agreements, with such third party without the supplier's consent.
- (3) The supplier's obligation for indemnification shall apply to all expenses necessarily incurred by us due to or in connection with such third-party claim.
- (4) The statutory period of limitation is ten years, counted from the execution of the agreement.

**§ 9 Retention of Title – Provision of Materials – Tools – Confidentiality**

- (1) We retain title to all goods provided by us to the supplier. Processing or alteration of such goods will be performed by the supplier on our behalf. If the goods subject to retention of title are processed with other commodities not belonging to us we will obtain co-ownership of the new item in the proportion of the value of our commodity (purchase price plus VAT) to the value of the other processed materials at the time of processing.
- (2) If the goods provided by us to the supplier are inseparably amalgamated with commodities not belonging to us we will obtain co-ownership of the new item in the proportion of the value of our commodity subject to retention of title (purchase price plus VAT) to the value of the other amalgamated materials at the time of amalgamation. If, as a result of such amalgamation, the supplier's commodity is to be considered the principal commodity, then the supplier shall assign co-ownership to us on a pro rata basis. The supplier shall keep safe and in good condition any and all commodities of which we have sole or joint ownership.
- (3) We retain title to all tools provided by us to the supplier. The supplier undertakes to use the tools solely for the manufacture of the goods we ordered. The supplier undertakes to insure the tools we own at their nominal value, at his own expense, against fire, water damage and theft. At the same time the supplier agrees to assign to us already at this juncture all rights of compensation under this insurance; we hereby accept the assignment. The supplier undertakes to perform all required maintenance, inspection, service and repair activities on our tools in a timely manner and at his own expense. The supplier shall notify us immediately of any incident whatsoever; claims for damages shall not be affected if he fails to do so by negligence.
- (4) The supplier undertakes to keep strictly confidential any and all images, drawings, calculations and other documents and information received from us. They shall not be disclosed to any third party without our express consent. This obligation of confidentiality shall survive the completion of the activities contemplated by this agreement; it shall expire when and to the extent that the manufacturing know-how contained in the images, drawings, calculations and other documents received from us has become public knowledge.
- (5) In as much as the value of the securities to which we are entitled pursuant to § 9 sections (1) and (2) exceeds the purchase price of all unpaid goods subject to retention of title by more than 10%, and following the supplier's request, we are compelled to release the securities at our option.

**§ 10 Place of Jurisdiction – Place of Performance**

- (1) The place of jurisdiction for any dispute shall be our place of business; however, we shall be entitled to bring proceedings against the supplier at his place of business.
- (2) Unless otherwise specified in the order, our place of business shall be the place of performance.

The above conditions are governed by the laws of the Federal Republic of Germany under exclusion of the UN Convention on the International Sale of Goods.