

## **Conditions of Purchase**

### **I. Validity**

(1) The present Conditions of Purchase have exclusive validity. We do not recognize any other conditions unless explicitly agreed upon in writing.

(2) The present Conditions of Purchase also apply if we accept deliveries and/or services without reservation while we have knowledge of a Contractor's provisions contrary to or deviating from our Purchase Conditions.

### **II. Ordering**

(1) Orders are only valid if placed in writing and signed. Oral arrangements or agreements made on the telephone require written confirmation by our order form.

(2) All correspondence has to be made without Purchase Department. Arrangements with other departments require an explicit written confirmation by an order amendment from our Purchase Department if they include provisions modifying items stipulated in the Order Form.

### **III. Delivery, Delivery Dates, Delay**

(1) All consignments addressed to us have to be accompanied by a detailed delivery note (one copy) showing the order number and references.

(2) All consignments addressed to Third Parties designated by us have to be accompanied by a detailed delivery note in two copies showing the order number and references. The Contractor immediately has to forward one copy of this document to us, bearing the stamp and signature of the Third Party as confirmation of receipt.

(3) Should the Contractor become aware that the dates agreed cannot be met, the Contractor has to notify us immediately. The obligation to meet dates remains unaffected.

(4) Should the Contractor fail to meet the agreed final delivery date or other dates agreed subject to penalty, we are entitled to charge a penalty of 1% for each commenced week of delay, limited to a maximum of 5% of the overall order value.

(5) In the case of default on part of the Contractor we are entitled to the applicable statutory claims. In particular we have the right to claim damages instead of performance and withdrawal after expiry of a reasonable time without remedy. Should we claim damages, the

Contractor shall have the right to prove to us that the Contractor was not responsible for the default.

(6) If documents in the Contractor's possession should be necessary for compensation claimed by us, the Contractor shall hand these over to us immediately. Should the performance of deliveries or services by us or Third Parties appointed by us prevented by any titles, the Contractor shall be obliged to immediately transfer the relevant titles to us or the Third Parties appointed by us.

### **IV. Invoicing**

Invoices have to be sent to us by mail and must in no case be enclosed in a consignment. The wording of invoices shall exactly comply with our Order Form and include the order number, the order date, the type of dispatch, as well as the number and type of packaged units. Invoices must be submitted in two copies.

### **V. Guarantee/Defects liability**

(1) The supplied goods must be in compliance with the contract specification; in particular they must meet the agreed quality, function and capacity, as well as any applicable labor protection, health, environmental and fire protection laws, regulations, codes and standards.

(2) We shall be entitled to assert the full statutory claims for defects. In any case we shall have the right to opt for either remedy of defects or supply of replacement goods by the Contractor. The right to claim damages in particular damages instead or replacement shall explicitly be reserved.

(3) We shall be entitled to perform remedy of defects ourselves or have them remedied by Third Parties on the account of the Contractor if there is risk in delay or if the matter is urgent. If documents in the Contractor's possession should be necessary for compensation claimed by us, the Contractor shall hand these over to us immediately. Should the performance of deliveries or services by us or Third Parties appointed by us prevented by any titles, the Contractor shall be obliged to immediately transfer the relevant titles to us or the Third Parties appointed by us.

(4) The guarantee period shall be 36 months and shall start upon acceptance and/or the delivery in accordance with the contract in the absence of a formal acceptance procedure.

(5) For subsequently performed deliveries and/or services, the agreed guarantee period shall re-commence upon the written confirmation of acceptance of such deliveries and/or services.

(6) Guarantee claims come under the statute of limitations 6 months after expiry of the guarantee period at the earliest.

### **VI. Third Party Industrial Property Rights**

The Contractor ensures that all supplies and services are free from Third Party industrial property rights and that the supply/service and/or use of delivered products particularly do not infringe upon any patents, licenses or other property rights of Third Parties. The Contractor shall indemnify us and our Clients against Third Party claims resulting from industrial property right infringements resulting from the purchase or use of the Contractor's products and/or services.

## **VII. Payment and Prices**

(1) Payment is due within 14 days less 3% discount or within 30 days net upon receipt of supplies and/or services in compliance with the contract and receipt of invoice.

(2) The prices shown in the Order Form are binding and are understood DDP our workshop (pursuant to the Incoterms as applicable at the date of order) including packaging, unless otherwise agreed upon by us.

## **VIII. Packaging**

All goods are to be packaged according to commercial usage or – in the absence of any commercial usage – in a safe and adequate manner. We are entitled to return packaging material free of charge and request an appropriate reimbursement. As regards borrowed packaging, specialized packaging etc., separate agreements have to be made with us.

## **IX. Reservation of title, Manufacturing Materials**

(1) As regards components and other material provided by us to the Contractor, we reserve the title to such components and material (reserved goods). The processing and/or modification of such goods by the Contractor is on our behalf. Should our reserved goods be processed with other objects not in our property, we acquire co-ownership of the resulting goods in the ratio of the value of our reserved goods (purchase price plus VAT) to the value of the other goods processed at time of processing.

(2) Should our reserved goods be mixed with other goods not in our property, we acquire co-ownership of the resulting, new goods in the ratio of the value of our reserved goods (purchase price plus VAT) to the value of the other mixed goods at the time of mixing. If the goods are mixed in a manner so that the Contractor's goods is to be considered the major part, it is understood that the Contractor shall transfer a co-ownership in the appropriate ratio to us. The Contractor shall keep any goods of our property or co-ownership on our behalf.

(3) Dies, models, prototypes, tools, drawings and other documents provided by us to the Contractor for the performance of our Order, remain our property and shall be returned by the Contractor without being requested upon fulfillment or the Order. Such material and documents as well as new tools manufactured by the Contractor shall neither be made accessible to nor be used for Third Parties.

(4) The Contractor shall store dies, models, prototypes, tools, drawings and other documents separately from own stock and identify them as our property. The Contractor shall maintain insurance cover for the reinstatement value of our dies, models, prototypes and tools against any and all risks at the Contractor's own expense. Simultaneously, the Contractor shall immediately assign all claims for compensation from the insurance policy. We herewith accept such assignment.

(5) The Contractor is obliged to carry out maintenance and repair work on our dies, models, prototypes, tools on the Contractor's account and in due time as required. Defects, if any, have to be reported to us immediately. Failure to do so under the Contractor's responsibility shall not affect any claims for damages.

## **X. Product Liability, Insurance Cover**

(1) In as far as the Contractor is responsible for product damage, the Contractor shall indemnify us against the claims for damages asserted by Third Parties upon first request to the extent to which the cause of damage can be assigned to the Contractor's responsibilities and the Contractor is liable as to Third Parties.

(2) Under the liability for damage in accordance with paragraph (1) the Contractor shall also be obliged to reimburse to us any expense, if any, resulting from or in context with any call back measures taken by us. We shall inform the Contractor in advance of the contents and scope of such callback measures if this is possible and reasonable, and allow the Contractor to make appropriate statements. Other statutory rights remain unaffected.

(3) The Contractor shall be obliged to take out and maintain product liability insurance with a cover of € 10 million per personal damage/damage to property and/or € 1 million per economic loss for each claim as a lump sum until the expiry of the appropriate limitation of defects liability in time. The Contractor shall be obliged to provide evidence of the taking out and maintenance of such product liability insurance without being requested. Should we have the right to claim damages exceeding the relevant insurance cover, such right remain unaffected.

## **XI. Secrecy**

The Contractor shall be obliged to keep any pictures, drawings, calculations, other documents and information provided to him in the course of the Order fulfillment in strict secrecy. Such documents or information may only be disclosed to Third Parties upon our explicit written consent. The obligation to keep secrecy shall survive the completion of the relevant Order.

## **XII. Miscellaneous**

(1) If we fail to assert any of our rights immediately, this does not imply any waiver on the assertion of such rights.

(2) The place of performance is St. Leon-Rot.

(3) The invalidity of any provision of the present Conditions of Purchase does not affect the validity of the remaining provisions.

(4) The present Conditions of Purchase shall be governed by German law under exclusion of the United Nations Convention on Contracts for the International Sale of Goods (uniform United Nations Purchase Law, CISG).

(5) The exclusive place of jurisdiction for legal disputes, are the courts with competent jurisdiction for Heidelberg. However, we shall also have the right to proceed against the Contractor at the Contractor's general place of jurisdiction.