



GENERAL TERMS OF PURCHASE AND PAYMENT

as of 02/2006

All contracts based on which we purchase goods or receive services, are solely subject to these General Terms of Purchase and Payment. Divergent, opposing or supplementary general terms of the supplier, even if known by us, are not contractually stipulated unless agreed by us in writing. Terms are only binding for us if we have agreed in writing.

I. ORDER

Only **orders** placed in writing are binding for us; as confirmation of order the signed copy of our order shall be returned immediately. Any modification (especially concerning the price) or addition shall be in **writing**. We are not bound to obvious errors or mistakes in the records submitted by us. The supplier is obliged to inform us of such mistakes in order to enable us to correct and renew our order. This also applies to missing records or drawings. During the time of delivery we reserve the right to make modifications of construction respectively design due to technical improvements or legal requirements provided they are acceptable for the supplier. Invoice, delivery note and shipping documents must show our order number as well as all data mentioned in the order; otherwise we are – without coming in default – not able to process these documents.

II. PAYMENT AND PROHIBITION OF ASSIGNMENT

1. **Payment** with 3% discount is made on the 15th (respectively next workingday) of the month which follows the month of performance provided that invoice in due order is submitted 8 workingdays in advance otherwise payment (keeping 3% discount) shall be performed on the 15th of next month. Advance payment is excluded.
2. With the exception in case of extended reservation of title **Assignment** of claims against us requires our written approval in advance; payments are – to the legal extent - only performed to the supplier.
3. Registered merchants may **retain** there performance only by virtue of claims, which are undisputed, legally valid or in favour of them ripe for decision.

III. DELIVERY AND PACKAGING

1. **Delivery dates** are binding. As soon as the supplier becomes aware of circumstances which might cause a delay of delivery, he has to inform us immediately, without prejudicing or effecting our rights.
2. All **deliveries** must be made free of charge at the suppliers risk to the agreed delivery address. We are not obliged to **accept** deliveries in part .Even by unreserved acceptance we do not waive any claims nor does this constitute the performance as contractual.
3. The supplier shall – notwithstanding his legal obligations according to the German "Verpackungsverordnung" (i.e. decree concerning packaging) – take back the transport **packaging**; he has to bear the costs for the return transport to – if applicable – a third party which was named by him, as well as – especially in case of a one way packaging – the costs for removal / scrapping.

IV. QUALITY AND DOCUMENTATION

1. The whole contractual performance of the supplier shall meet legal requirements as well as the newest prior art of European market area; the supplier ensures this by a quality management system at least according to DIN/ISO/EN 9001. Any modification or deviation from the contractual **specification** or existing design requires our written approval in advance. Each serial delivery of parts defined only by drawing and/or specification requires our first sample release in writing.
2. We expect from our supplier to **point out** possible improvements or weak points spontaneously, to be bound to the zero-defect goal and to operate a continuous improvement process.
3. **Safety parts** and/or batch liable parts, even if not specifically so characterised are subject to continuous check by the supplier; he must keep the records concerning when, who, how and with which result the safety characteristics have been checked until expiration of all liability terms, however at least for 15 years; upon request the records shall be made available to us.
4. We are authorised to carry out product respectively process **audits** at the supplier.
5. **Sub-suppliers** must be engaged by the supplier according to these stipulations.

V. PRODUCTION RECORDS AND FACILITIES

1. We reserve complete **property and copyright** of all production records and the information contained therein, as well as of all other objects delivered by us to the supplier such as tools, jigs etc.. The supplier shall return them in total together with all and any copies made by him, latest after expiration of the contract – or prior upon our request. All and any storages made by him shall then be deleted and this to be confirmed to us. All objects handed over to him shall be stored by the supplier free of charge, in good care and sufficiently insured at his cost, this to be confirmed to us upon request.
2. All objects mentioned above in item 1. as well as production facilities (even if only partly financed by us) as well as developments made for us or with our assistance may only be used **exclusively for us** in connection with our orders and shall be kept careful and confidential. No third party shall get hold of it except our prior permission. In case of any infringement of the above mentioned provisions by the supplier at least grossly negligent he has to pay us 40% of the order value as **indemnification**, however at least the monetary value of the advantage he achieved by this infringement; he may furnish proof of a minor damage, the assertion of a further damage is reserved to us.
3. If- by virtue of our written consent – transfer to or utilisation by a **third party** was conceded, this third party had to be obliged to accept in writing all of these provisions.

VI. WARRANTY

1. Evident defects may be reprimanded latest within one month; notwithstanding the foregoing it is agreed that **section 377 HGB (German Commercial Act)** is excluded.
2. In order to prevent greater damage we are free to repair at the suppliers' expense in cases of urgency - if possible - but not before expiration of an appropriate short-termed time limit in case of a suppliers' default or if the supplier is in delay with its performance of warranty.
3. The supplier bears **product liability** conditioned by his performance. He has to cover sufficient insurance, this to be proved to us upon demand.
4. The supplier indemnifies us of possible infringement of **patent rights** of third parties as far as his delivery or performance is concerned, unless it is not the suppliers' default. In case of his liability he indemnifies us and our clients from all and any claims caused by utilisation of such patent rights with the exception of cases under our responsibility, notwithstanding the supplier to inform us immediately.

VII. PLACE OF PERFORMANCE, LEGAL DOMICILE and APPLICABLE LAW

1. Our relationship shall be governed by and construed in accordance with the **Laws of Germany**; the U.N. convention of 11. April 1980 regarding agreements on international sales of goods (CISG) is not applicable.
2. If the supplier is registered merchant, legal entity or property both under public law place of jurisdiction shall be **Munich and place of performance for the supplier shall be the contractual shipping address**; however we are free to sue the supplier at his local court.

VIII. FINAL PROVISIONS

1. The supplier takes note, that we **may store the data** of the supplier for automatic data processing (e.g. order confirmations, payments etc.). Therefore we may refrain from a particular information according to section 26 Bundesdatenschutzgesetz (German Data Surveillance Act).
2. In the event that any or part of the aforementioned provisions is determined to be invalid, unlawful or unenforceable to any extent, such provision shall be severed from the remaining provisions (which shall continue to be valid and enforceable to the fullest extent permissible by law) and the parties hereto shall agree upon such alternative arrangements as may be fair and reasonable.