

## 1. General

Purchases are rendered wholly on the basis of the following General Purchasing Conditions. Any other conditions can not become part of a contract even if we do not expressly contradict such conditions. These General Purchasing Conditions also apply to all subsequent purchases or contractual purchases from suppliers.

Purchases must be issued in writing to become binding. Purchases agreed to orally or by telephone require subsequent confirmation in writing in the form of a standard commercial order to become valid. Orally agreed to supplementary agreements or contract alterations or amendments must also be confirmed in writing.

Where quality assurance agreements, confidentiality agreements, special arrangements concerning reservations of title, exclusive rights contracts, or other general or particular agreements have been negotiated in addition to the General Purchasing Conditions, the additional agreement takes precedence. Where the preceding special arrangements do not contain a pertinent regulation the General Purchasing Conditions shall prevail.

## 2. Delivery date assurance

Agreed delivery dates are binding. Deemed compliance is the timely receipt of goods at the agreed point of delivery.

Should a supplier realize that an agreed deadline cannot be met for whatever reason, the estimated period of delay and the reasons for such a delay have to be immediately submitted to us in writing.

Acts of God and labor strike action exempt the contract supplier from this obligation for the duration of the disturbance, however, the contract partners are obligated to supply within a reasonable timeframe any pertinent information and to endeavor to their best ability to adjust to changing circumstances to minimize the dislocation. If we do not wish any longer to receive the goods because of the delayed delivery, we are entitled to cancel the delivery contract after giving prior notice. In addition, we are, in the case of delayed deliveries, entitled to lay claim to damages and/or rescind the contract in accordance with legal statutes.

We reserve the right to return deliveries arriving earlier than scheduled at cost to the supplier. If deliveries are not returned they may be stored in our keep until the agreed delivery date at the expense and risk of the supplier. The agreed delivery date only is the relevant date for account settlement.

The due date for payment depends solely on the agreed delivery date. Part delivery will only be accepted after express agreement.

## 3. On-call Contracts

Periodic delivery quantities under on-call contracts are a non-binding estimate and do not imply a duty to accept such deliveries. If delivered quantities are considerably below expectations we shall endeavor together with the supplier to come to an amicable and adequate adjustment to meet the conditions.

Any such arrangement is conditional on us achieving a corresponding adjustment of the requirements of our customers for the parts or components in question.

## 4. Redress from Liability for Material Defects

Inasmuch supplied goods become components of a product for sale to consumers and an application of §§ 478, 479 of the German Federal Civil Code (BGB) by our customers, we reserve the right to seek redress from liability from suppliers in a corresponding application of the statutes. §§ 478, 479 of BGB regulate extend, content and limitation of such a claim.

## 5. Extraordinary contract cancellation and reasons for cancellation

We are entitled to cancel a contract or to withdraw from it if insolvency proceedings have been instituted against the property of a supplier or insolvency proceedings have been denied due to a lack of assets or if the supplier has stopped payment for whatever reasons for an extended period. In the case of a customer-initiated cancellation of contract affecting the requirements for goods of the supplier either directly or indirectly, we are entitled to cancel wholly or in part the purchasing contract or rescind the purchasing obligation respectively. Should the supplier, relying on the continuance of the contract, and having secured an appropriate stock of raw materials and base products to ensure continuing contractual supply of goods, and these materials cannot be used in other contracts and cannot be returned to the base suppliers, we shall endeavor to agree with the supplier on an appropriate solution.

## 6. Interest Rate in Case of Cancellation of Contract

In the case of a cancellation of contract, whatever the legal reasons, an amount plus interest equal to 5 per cent annual interest rate since the date of receipt of the contract payments is to be returned.

## 7. Applicable Law and Legal Venue

Delivery point for the supplier is the goods-inwards/ processing locality specified by us.

Sole legal venue for both parties in all direct and indirect disagreements arising from contractual disputes – including deeds, exchange notes and cheques – is the local court for the district of our head office. However, we also retain the right to make claims against a supplier at a court with jurisdiction at the business address of the supplier.

The Laws of the Federal Republic of Germany take precedence. The application of the agreement of the United Nations for the Regulation of International Trade (CISG) is excluded.