



General Purchasing Conditions

For use with companies within the meaning of the law, 14 BGB

Status February 2013

1. Scope

(1) In addition to individual contractual agreements and legal requirements no other but these terms and conditions of purchase shall apply to all business conducted between us and the supplier or other contractors (below called supplier). We shall not recognize contrary or varying terms set by the supplier, unless we have expressly approved their validity in writing. These terms and conditions of purchase shall also apply in cases where we accept a delivery or service unreservedly in the full knowledge of contrary, or terms set by the supplier that vary from these terms and conditions of purchase.

(2) For current business these terms and conditions of purchase shall also apply to future contracts.

2. Offers, Orders and Changes

(1) All preparation of offers, preliminary studies, samples and similar services shall be carried out free of charge. This shall also include visits from suppliers. We shall not be obliged to place an order. The offer must expressly state any variations from the query. The supplier shall be bound by his offer for at least six weeks.

(2) We shall retain ownership and copyrights for all documents submitted to the supplier for tendering. If no offer is made or, after the order has been processed, such papers are to be returned to us immediately and free of charge.

(3) Supply contracts (order and acceptance) and call orders as well as any changes or supplements shall require a written agreement. Orders, call orders as well as any changes, or supplements thereof, may also be effected by data transmission or machine-readable data carriers.

(4) Our order(s) have to be accepted within one week of receipt and confirmed by written acknowledgement of order including firm delivery date and prices. Until the receipt of the aforesaid acknowledgement of order by the supplier we shall be entitled to revoke our order at any time. Price and delivery dates differing from the order require our written approval. Confirmed prices shall be deemed fixed prices. Call orders will become binding unless supplier objections arrive within one week of receipt of order. Blanket orders merely entitle to the procurement of an adequate amount of start material. The production of parts for call orders is not permitted until the receipt of a call-forward notice.

(5) Each order shall be accompanied by written communication and treated separately. All documents such as letters, dispatch notes, delivery notes etc. must contain details of our order number, business number as well as the order date.

(6) If the supplier makes changes to drawings and shapes he will do so at the risk of non-acceptance of goods and all resulting defects and damages. Variations in quantity and quality compared with the text and content of our orders and later contractual changes shall only be deemed agreed after we have given our express written approval.

(7) Within reasonable limits and in agreement with the supplier we shall be entitled to demand changes to the design, amount and date of delivery before the order is processed. Any effects caused by such changes are to be regulated appropriately and consensually. The supplier must inform us immediately in case of any reservations against such changes. If no agreement can be reached we shall have the right to withdraw. In such a case the supplier will be appropriately compensated for expenses. Without prior approval the supplier shall not be entitled to make changes to the design or execution in comparison with earlier, deliveries and services of the same kind.

3. Prices, Invoices, Payments, Deterioration of Credit Ratings, Assignment of Claim, Right to Refuse Performance, Right to Offset as well as Right of Retention

(1) Prices shall include delivery, duty, ex our works or ex place of delivery as agreed in the contract according to clause DDP (Delivered Duty Paid) of INCOTERMS 2000. The price stated in the order will be considered the highest price. This means that it may be reduced but not increased. The supplier shall not give us more unfavourable prices and conditions than other purchasers in a specific case if, and as long as, these offer him the same or similar conditions. If applicable, V.A.T. is to be shown separately. Packing and packaging shall be included in the price. Should something else be agreed in exceptional cases, packing and packaging shall be charged at cost price. Packaging subject to returns shall be credited in full.

(2) Invoices shall be made out in duplicate with the original and copy marked, separately for each order and immediately after delivery, stating order date, our order number and, if available on our order, our purchaser and the reason for the order.

(3) Time limits for payment shall commence from the fixed delivery date but at the earliest from the date of receipt of goods and invoice, whichever is the later. Payment does not represent recognition of terms and conditions or prices. The date of payment shall not affect the warranty granted by the supplier or our right of complaint. Unless otherwise agreed, we will make payments in Euro via free

domestic banking connection of the supplier. Payment will be made by bank transfer or cheque after complete receipt of faultless goods or complete faultless performance and receipt of invoice. When partial deliveries were agreed this will apply accordingly. Time delays caused by incorrect or incomplete invoices shall not affect discount periods. Payment will be made subject to invoice checks. Complaints and criticisms regards delivered items shall allow us to retain due payments to a reasonable amount.

(4) In case of discount, payment shall be made according to the discount agreement but at least up to 14 days minus 3% discount und up to 30 days net. Definitive for this time limit shall be the date of delivery or subsequent billing.

(5) Default in payment by us shall be excluded in case of simple negligence. Incidentally, claims for compensation shall be limited to typically occurring damages.

(6) If down-payments were agreed with the supplier, the latter must produce an unlimited fulfillment guarantee from a bank or an insurer, stage by stage against performance, and for the amount of the down-payment. Default of delivery will result in the deduction of interest on arrears from the down-payment of the invoice amounting to 3% above the base interest rate of the European Central Bank. Our right to put forward a claim for possible damage caused by delayed performance will not be affected in its extent by this regulation of deduction.

(7) Should the supplier's credit rating or ability to deliver, deteriorate to such a degree that the fulfilment of the contract is endangered or should the supplier stop his deliveries or should legal insolvency proceedings against his property be opened, we shall be entitled to withdraw, even if only partially.

(8) The supplier shall not be entitled without our prior approval, which cannot be unreasonably refused, to assign his outstanding debts against us or to have such debts collected by a third party. Unless we have an agreement with the supplier giving extended retention of ownership, agreement shall be deemed granted. Should the supplier assign his outstanding debts against us to a third party, such an assignment shall nevertheless be effective. We shall be able to tender performance with qualified exemption either to the supplier or a third party.

(9) We shall have the right to refuse performance, right to use offset or right of retention to the legal extent. The right to refuse performance, right to use offset or right of retention shall only be granted to the supplier as far as the counter-claim on which the right to refuse performance, right to retention or right to set off is based, is undisputed or legally enforceable or ready for decision.

4. Delivery Dates, Delivery Deadlines, Default of Delivery

(1) The agreed dates and deadlines stated on orders and call forward notices shall be binding. Delivery deadlines shall commence as from the date of order. We shall not be obliged to take delivery before the expiration of deadlines. Definitive for meeting deadlines and dates shall be the date of receipt at our factory or a receiving or processing agent as indicated by us or the punctuality of successful acceptance. Partial deliveries shall require our prior approval. Partial deliveries must show the remaining quantity. Should the supplier experience difficulties in supplying at the agreed deadline or at the prescribed quality, he must inform us immediately and obtain our decision about maintaining the order. He shall not be held liable for missing or late messages.

(2) We reserve the right to return deliveries arriving earlier than agreed at the supplier's expense. Goods delivered earlier than agreed and not returned will be stored at our premises until the date of delivery, at the supplier's risk and expense. We reserve the right to withhold payment for early deliveries until the agreed due date.

(3) In case of default of delivery we shall be entitled to claim damages within the scope of legal provision. We shall not reschedule a deadline if a repudiation of contract by our customer is likely due to our own deadline commitments. Supplier's disclaimers or restriction of liability shall be excluded. Withdrawal from contract will entitle us to retain partial deliveries against credit note. Repeated or continuous missing of deadlines by the supplier will entitle us to withdraw from, or terminate, the contract without notice. Good causes for missing a deadline will entitle us to withdraw if the delay is considerable and delivery is urgently required due to our own deadline commitments.

(4) Default of delivery will entitle us, after a letter of reminder was sent, to charge a contract penalty of 10% of the net shipping value or the performance per completed week but no more than 50 % in total of the net shipping value or performance and to withdraw from the contract. We reserve the right to claim a higher damage. The contract penalty paid will be offset against claims for damages. The right to demand payment of an agreed contract penalty will not be forfeited by the fact that the right to demand a contract penalty was not expressly reserved when the late delivery was accepted provided it is claimed before final payment is made.

(5) Default of payment will entitle us to make a covering purchase in so far as this is useful in the circumstances in order to prevent consequential damage resulting from default. The supplier shall bear any related additional cost incurred.

(6) The supplier shall only be able to refer to documents to be submitted by us if he did remind us about the documents in writing and did not receive these within a reasonable time.

(7) Claims for damages due to delayed acceptance by us in case of minor negligence shall be limited to the foreseeable damage that typically occurs.

5. Dispatch, Carriage, Packing and Packaging, Passage of Risk, Documentary Evidence of Origin

(1) Delivery shall be made "delivered duty paid", according to the DDP clause of INCOTERMS 2000. The supplier has to attach our order details to all dispatch papers and delivery notes. All delivered goods must be accompanied by the – most common – commercial documentation enabling perfect assignment and processing of the delivery at our place.

(2) Each consignment must be accompanied by a delivery note made out in duplicate showing all identifications laid down in our order, in particular order number, part number, batch number, item number. Partial and remaining deliveries have to be specially marked. In order to be able to establish the contents of a consignment without opening, the delivery note has to be inserted either underneath the sticker or inside the wrapping paper, showing the note "delivery note →". Depending on the kind of dispatch and country of destination, import deliveries require the submission of movement certificates, express consignment notes, shipping customs notes, certificates of origin and invoice.

(3) For each single dispatch the supplier shall send a separate dispatch note in addition to the goods and invoice; this must contain at least the following details: order number, order date, quantity and weight of goods, kind of dispatch. All dispatch papers must show the prescribed, proper details required for faultless processing (e. g. dispatch address, quantity of shipped parts etc.). This also applies to possible, special rules for the handling of goods, in particular unloading, transport and storage at our premises. Delays, added cost as well as damages resulting from non-compliance with dispatch rules shall be born by the supplier.

(4) The supplier shall use the packaging specified by us and has to take care that the goods are protected against damage by the packaging. If we do not give details about packaging, the goods must be packed to commercial standards. We reserve the right to return bulk packing items, in particular casks, barrels, crates and so on after emptying and, regardless of possible shipping or other wear and tear, free of charge freight and carriage against an appropriate credit note to the supplier.

Handling that differs from the current rules based on the Provisions on the Prevention and Recycling of Packaging Waste (provisions concerning packing and packaging) shall require our prior approval. The supplier shall be liable for losses and damages that occur during carriage, including unloading, up to acceptance in our factories. The supplier therefore has to take out sufficient shipping insurance.

(5) Unless special arrangements have been made, the supplier shall select the most reasonable and suitable kind of carriage. If in special cases costs of carriage are born by us we shall name a carrier whose details must be obtained from us in good time. This carrier must be advised by fax of all consignments ready for dispatch. Freight is to be declared in a letter of consignment in such a way that, taking into consideration freight safety, the cheapest permissible freight rate is applied.

(6) The risk shall pass at the point of delivery but only after unloading by the supplier or carrier to the dispatch address given by us or after installation or acceptance at our factory. This shall apply equally, should our personnel give a helping hand with unloading. Goods shall be stored until dispatched, free of charge, by the supplier and at the supplier's risk.

(7) In as far as the goods produced for us by the supplier are required for export the supplier shall be obliged to submit a written declaration about the origin of delivery items for customs purposes. This declaration shall be forwarded to us at the latest with the first delivery.

(8) We shall have to be informed immediately and without having to ask about the origin of newly introduced items or any change of origin. The supplier shall be liable for any disadvantages we might experience due to a late or not duly submitted supplier declaration. In so far as required, the supplier has to establish proof for the details given about the origin of his goods by submitting an inquiry form certified by his customs office.

(9) Deliveries shall be accepted during our normal business hours. We shall be entitled to give the supplier a limited time window that can be used for deliveries.

6. Secrecy, Passing On or Transfer to Third Parties, Surrender of Documents

(1) The contracting parties shall be obliged to treat as business secrets all business and technical details such as descriptions of methods, recipes, methods of analysis, drawings and other details surrendered by us to the supplier for production purposes or drawings based on special details provided by us in the course of special business relations unless they are obvious or we make them available to the public or when there is a duty to disclosure due to legal requirements. Any business or technical information or documents made accessible by us shall be made available in the company of the supplier only to persons who have to be brought in out of necessity for the purpose of production and delivery and who have been instructed to observe secrecy.

(2) The supplier shall observe secrecy regards documents and information even during the pre-contractual period and after the fulfilment of the individual contracts. If required by us, but no later than after the execution of the order, all objects, notes, files and documents surrendered by us, including any copies hereof, shall have to be returned to us complete, or have to be destroyed after seeking our approval. The supplier shall have to furnish us with proof of this destruction within a reasonable time.

(3) Duplication shall only be permitted in the course of business requirements and by complying with copyright regulations. Disclosure to third parties shall require our prior written approval.

(4) The supplier shall see to it that his sub-suppliers are committed accordingly. The use of this business contact for advertising purposes shall require prior written approval of the contracting parties.

(5) Drawings, tools, samples, models, trademarks and get-ups etc. as well as finished products and semi-finished products that were entrusted by us or are the result of commissioned work shall remain or become our property and their delivery to third parties shall require our prior express written approval. Subject to differently worded agreements in individual cases, these will have to be returned to us immediately after the order was processed without the need for a special request. Articles produced or labelled with the help of such production resources, trademarks or get-ups may only be delivered to third parties after seeking our prior express written approval.

(6) The assignment of an order to a third party without our consent shall be prohibited and shall entitle us to withdraw and claim for damages.

(7) The supplier shall be liable for damages resulting from violation of these obligations.

(8) Documents of any kind required for use, operation, processing, maintenance, stock-keeping and transportation shall be made available by the supplier in good time without being asked.

7. Acts of God

War, civil war, export restrictions or trade restrictions following a change in political circumstances as well as strikes, lockout, equipment failure, restriction of output and similar events making it impossible or unreasonable for us to fulfil the contract shall be deemed acts of God and will release us for the duration of their existence from our contractual commitments, in particular the duty of punctual acceptance of goods. Should we be unable to accept punctually due to acts of God or other unexpected obstacles, or obstacles beyond our influence, that affect the acceptance of goods and the acceptance deadline, we shall be entitled to a reasonable extension of deadline and the deadline will not be deemed missed. This shall also apply, should these events occur at a time when we have already missed a deadline. The contractual parties shall be obliged to adapt their commitments in good faith to the changed contractual conditions. Taking economic points of view into account, we shall be released partially or wholly from the obligation of acceptance of an ordered delivery or performance and in this respect shall be entitled to withdraw from the contract, should the delivery or performance have become unusable due to the delay resulting from acts of God.

8. Protection Acts, Quality Assurance, Documentation

(1) The supplier shall guarantee and warrant that he complies with all recognized rules of technology and the agreed (technical) data for all products, services, factory and delivery performances, in particular quality regulations as well as any protection acts and other health and safety regulations that may apply and that all deliveries and performances are state-of-the-art and meet the relevant legal provisions and regulations as well as guidelines of authorities and professional and trade associations. Despite this, the supplier shall be obliged to assess the quality of the delivery items on a regular basis. The contractual parties shall exchange information about the possibility of quality improvement.

(2) Based on the international ISO 9001:2000 Norm suppliers delivering operating and factory material shall be obliged to run a quality management system with the commitment of setting a zero defect target and to aim for continuous improvement of their performance.

(3) The supplier shall be obliged to seek our information about the further purpose of utilization of his products in order to assure the quality and functioning of his products.

(4) The supplier shall see to it that his suppliers run a comparable quality management system to ensure the faultless condition of his purchased parts, service, factory and delivery performances as well as externally refined or otherwise treated parts. Further details shall be settled by the parties in individual agreements on quality, if possible in writing.

(5) The supplier shall label his delivery items in such a way that they are continuously recognizable as his products.

(6) The supplier shall be obliged, within reasonable economic and technical capabilities, to use environmentally friendly products and methods for his deliveries or performances and also for deliveries and ancillary performances of third parties. The supplier shall be liable for the environmental friendliness of delivered products and packaging material and for any consequential damages resulting from the violation of his legal duty of disposal.

(7) At the point of delivery the supplier shall be obliged to enclose any currently available safety sheets, test protocols and/or certificates of chemical analyses for each delivery. The supplier agrees that we shall be exempt from all recourse liability claims by third parties in case he does not deliver these documents or if their delivery is late. The same shall apply to subsequent alterations.

If no definite arrangement exists between the supplier and us with regard to the kind and extent of tests as well as test material, and the supplier should request this, we shall be prepared to discuss such tests with him to the best of our knowledge, experience and capabilities, in order to determine the required state of test technology. In addition, we shall, on request, inform the supplier about the relevant health and safety regulations in as far as we have access to them.

9. Examination, Notice of Defects, Acceptance

(1) The duty of examination and notice of defects shall commence in all cases after the delivery has arrived at the contractually agreed place of destination and after a dispatch notice or delivery note has been duly served. If acceptance according to legal regulations or contractual agreements is required, these commitments shall commence only at the point of acceptance.

In so far as right of purchase applies and nothing to the contrary was agreed and as long as this is feasible in the run of the business, the deliveries shall be examined by us for obvious defects. The notice of defects shall be deemed punctual as long as the supplier is notified within 10 working days from the detection of the defect. The supplier shall in this respect waive his right to put forward a defence of late notice of defects. For transit business this shall be geared to the notice of defects from the buyer. In case of complaints, we reserve the right to charge costs incurred in connection with a notice of defects to the supplier. The supplier shall bear the cost and risk for the return of defective delivery items.

(2) If acceptance is obligatory by law or required by terms in the contract, the supplier shall bear the cost for material acceptance. If not already fixed with the order, the binding acceptance deadline will have to be stated at least a week before.

(3) Rejected parts shall remain at our disposal until replacement has arrived and, after replacement has taken place, shall again become the property of the supplier.

10. Claim of Defect, Claim for Damages, Period of Limitation, Recourse, Presumption of Defect

(1) The supplier shall transfer the goods free of legal and material defects. Unless otherwise agreed, legal regulations shall apply.

a) In case of complaint the supplier shall be obliged to bear the additional expenditure incurred by us due to processing the complaint, e. g. for a claim of defect, a standard fee of € 100 shall apply. It shall be up to the supplier to furnish proof of lower expenditure and up to us to furnish proof of higher expenditure.

b) We shall be entitled to demand subsequent fulfilment from the supplier, to withdraw from the contract or to reduce the purchase price and to claim for damages or demand replacement for the vain efforts according to legal regulations. In the course of subsequent fulfilment, we shall be entitled to choose between having the defect eliminated or demanding the delivery of a faultless item by the supplier. The supplier shall be obliged to bear the expenditure resulting from the elimination of the defect or replacement delivery, in particular for transportation, travelling, work and material expenses. We shall be entitled to withdraw from the contract and to claim for damages instead of performance, should the supplier fail to eliminate the defect or to arrange for a replacement delivery within a reasonable time to be determined by us or should the elimination of the defect prove to be impossible or end in failure. In urgent cases, especially those involving approaching danger, to fight acute danger or to prevent greater damage, we shall be entitled after seeking approval from the supplier, to try and eliminate the defect ourselves, or by commissioning third parties at the supplier's expense. We shall be entitled to remove small defects ourselves – according to the doctrine of avoidable consequences – without prior approval and such action shall have no limiting effect on the supplier's obligations regarding warranty. The same shall apply when there is a threat of unusually high damage. Should the same goods be delivered several times in a row in a defective state, we shall be entitled to withdraw from the contract with regard to the unfulfilled part of the delivery after a formal letter of caution was sent in the event of a further defective delivery.

(2) Claims for damages for the product produced or supplied by the supplier, or for the order he processed, shall lapse after 36 months after the delivery of the IMO products produced by using the delivery items but no later than 60 months after delivery to us or acceptance by us, or a third party named by us, at the place of acceptance or application named by us, provided legal regulations do not require a longer period of limitation. For appliances, machines and plants the warranty period shall commence as from the date of acceptance stated in our written acceptance declaration. Should acceptance be delayed through no fault of the supplier, the period of warranty shall run for a maximum of 60 months after the delivery item was made available for acceptance. The warranty period for buildings shall depend on the legal stipulations, for spare parts it shall run for 36 months as from installation/commissioning and shall lapse no later than after 60 months after delivery. For delivery parts that were taken out of operation during the period of examination of a defect and/or the elimination of the defect, the warranty period shall be extended by the period of operational interruption. Possible shut-down periods resulting from defects of the delivery/performance shall be added to the warranty period. Unless otherwise agreed, the periods of limitation above shall apply in case the supplier offers a best before guarantee, or independent or dependent guarantee, for his products, services and performances.

(3) The period of limitation of 60 months in subsection 2 shall also apply in so far as claims for damages result from defects in the delivery or performance, as well as for claims not related to a defect, and when no longer periods of limitation are intended by law. The commencement of the period of limitation in these cases is determined by legal regulations.

(4) The supplier agrees that we shall be exempt from deficiencies in title claims by third parties. A period of limitation of 10 years shall apply for deficiencies of title.

(5) For parts that are completely overhauled, repaired or new deliveries of parts within the period of limitation, the period of limitation commences to run anew from the point in time at which the supplier has completely fulfilled our claims for subsequent fulfilment or, if acceptance was agreed, from the point of acceptance. The supplier shall have to apply for this acceptance in writing.

(6) If we take back articles we produced and/or sold because of the defectiveness of a contractual item delivered by the supplier or if our purchase price was reduced for this reason, or if we were enlisted in any other way, we shall reserve the right to fall back on the supplier and with regard to our right of complaint, this shall not involve the usually required setting of a deadline.

(7) We shall be entitled to claim from the supplier compensation for expenditure which we had to bear in relation to our customer who has a claim for compensation of expenditure against us for the purpose of subsequent fulfilment, in particular for transportation, travelling, labour and material costs.

(8) Notwithstanding the provisions in subsection 2, the period of limitation for the cases listed in subsection 6 and 7 shall lapse no earlier than 2 months after the point in time at which we have fulfilled the claims made against us by the customer but no later than 60 months after delivery by the supplier.

(9) If material defect becomes obvious within 6 months since the passage of risk, it shall be presumed that the defect was already present at the passage of risk, unless this presumption is incompatible with the existing kind of defect.

11. Consequential damage caused by defects

Culpable delivery of defective goods as well as culpable violation of duty occurring in connection with the fulfilment of the contract, e. g. when there is a duty of information or other advisory duties, we shall be entitled to claim for the resulting consequential damage caused by defects and also for the damages paid to our customer according to the law. Consequential damage caused by defect is the damage which we, our buyers or other third parties suffered to other objects other than the delivery item due to the delivery of defective goods. This shall not affect other legal claims.

12. Release from Liability, Insurance Cover

(1) The supplier agrees that we shall be exempt from all liabilities resulting from defects in goods, as well as any consequential damage resulting from this, that occur at our place or third parties, to the extent as the cause originated in his domain or organisation. The supplier shall arrange with his insurer a co-insurance of this exemption as part of his business liability insurance. He shall be obliged to reimburse expenditure incurred by a recall action of produced delivery items in order to prevent injury to person and property.

(2) The supplier shall be obliged to maintain a business and product liability insurance with a minimum amount insured of € 2 million each for economic loss to persons, property and products, twice the annual maximum as well as a recall insurance with a minimum amount insured of € 1 million per insurance year. Notwithstanding section 4 subsection 1 clause 3 terms and conditions, cover shall also apply to damages occurring abroad. The supplier shall have to inform us about exclusions from cover in respect to USA/Canada. The extent of the product liability insurance must provide the kind of cover afforded by a comprehensive product liability insurance including insurance against injury to person and property due to missing contractual characteristics of delivery items, clause 4.1 comprehensive product liability insurance (extended Produkt-Haftpflichtversicherung thereafter ProdHV), combining, mixing and processing of delivery items, clause 4.2 ProdHV, further treatment and processing according to clause 4.3 ProdHV, disassembly and assembly cost according to clause 4.4 ProdHV, spoilage produced by machines according to clause 4.5 ProdHV, as well as test and classification cost clause according to clause 4.6 ProdHV. On request, the supplier shall leave the relevant certificate provided by the insurer with us (Certificate of Insurance).

13. Industrial Property Rights, Release

(1) The supplier shall be liable for claims resulting from contractual use of the delivery items that cause violation of industrial property rights and patent applications (industrial property rights) of which at least one was published as part of the patent family either in the native country of the supplier, the European Patent Office or in the countries Germany, France, United Kingdom, Austria or the USA.

(2) He agrees that we or our buyers shall be exempt from any claims resulting from the use of such industrial property rights.

(3) This shall not apply in as far as the supplier has produced the delivery items according to drawings, models or equivalent descriptions or details submitted by us and does not know, or, in relation to the products developed by him, does not have to know that industrial property rights will be violated.

(4) The contractual parties shall be obliged to inform each other immediately of risks of violation that become known and to give each other the opportunity to put into place consensual measures in order to counteract such claims.

(5) On request, the supplier shall inform us about the use of his own published and unpublished property rights as well as about licensed industrial property rights and patent applications in connection with the delivery item.

14. Use of Production Resources, Insurance, Incoming Quality Control, Reservation of Ownership

(1) If the order includes the assumption of cost for tools and models, it shall be deemed agreed that tools and models remain our property. Models, matrices, templates, samples, tools and other production resources as well as confidential details paid or made available by us to the supplier, may only be used for deliveries to third parties after seeking our prior written approval. Production resources submitted to the supplier, or produced according to our details, must not be duplicated, disposed of, their ownership transferred by way of security, pawned or forwarded in any other way or applied in any other way for third parties without our express written approval. The same shall apply for delivery items produced with the

help of these production resources. The supplier shall be obliged to use these articles exclusively for the production of the contractual products that we have ordered.

(2) The supplier shall be obliged to insure articles owned by us at his expense, at reinstatement value, against damages caused by fire water, storm, burglary and vandalism. At the same time, the supplier agrees to assign to us, now, his claims for compensation from this insurance, and we herewith accept this assignment. The supplier shall be obliged to carry out all maintenance and inspection work required by our articles in good time and at his own expense.

(3) In so far as we provide articles ourselves, we reserve the right of ownership over such articles. Contractually agreed processing or transforming will be carried out by the supplier. If our conditional goods are bonded or mixed with objects that we do not own, we shall gain co-ownership of the new article at the proportionate value of our article in relation to the other objects at the point of processing, bonding or mixing. If processing, bonding or mixing are carried out in a way that the article of the supplier is to be considered the main part, it shall be deemed agreed that he transfers the proportionate co-ownership to us. This rule shall also apply if we refuse acceptance due to late or defective delivery, or if we have to refrain from further orders. Is this the case the provided articles shall be made available to us free of charge. Any offset shall be excluded.

(4) Additional expenditure due to material defects and dimension variations of provided raw materials may only be billed after seeking our prior written approval of this additional expenditure.

(5) The supplier shall be obliged to check the provided articles made available for obvious defects such as identity, quantity and shipping damage and to notify us of such defects immediately. Defects detected during processing such provided articles shall have to be notified immediately after the defect was detected. Processing will have to be stopped until we give further instructions.

(6) In as far as our entitlement of these rights to security according to subsection 3 exceeds the unpaid purchase price of all our conditional goods by more than 20 %, we shall release part of our rights to security at the request of the supplier.

(7) We shall not recognize any extension or renewal of reservation of ownership exceeding the simple reservation of ownership of the supplier with regard to the unprocessed supplier's product stored at our place, in particular after processing, bonding or mixing with other goods as well as after the disposal of the supplier's product.

15. Work on the company area

Our "plant regulations for suppliers" are valid for all orders, actions and services on the company area. If demanded we will send this regulation to our suppliers.

16. Place Electrical Engineering Delivery Terms & Conditions

The electrical and electronic design for orders for systems and/or machines will be in accordance with our "Electrical Engineering Delivery Terms & Conditions" valid on the date of order or order confirmation. Suppliers accept the "Electrical Engineering Delivery Terms & Conditions" as binding with their order confirmation. Amendments conflicting with the design in accordance with the "Electrical Engineering Delivery Terms & Conditions" must be approved beforehand in writing by the purchaser. These terms and conditions will be made available to suppliers upon request.

17. Place of Jurisdiction, Place of Fulfilment, Applicable Law, Ineffectiveness of a Provision

(1) The international and local place of jurisdiction for any disputes between the parties arising from the contractual relationship shall be Pforzheim. This shall also apply to disputes arising from document, bill or cheque processes.

(2) The place of fulfilment shall be the place of destination for the goods to be delivered according to the contract.

(3) All legal issues between the supplier and us, including suppliers with headquarters abroad, shall be governed, without the possibility of recourse to the choice-of-law rules and the United Nations General Conditions for Contracts for Purchase of Goods, by the Law of the Federal Republic of Germany.

(4) Should individual parts of these terms and conditions for purchase prove to be null and void, the effectiveness of the remaining provisions will remain undisturbed.

18. Data Protection

In the course of business we will store personal data of the supplier by applying electronic data processing methods according to the prevailing Federal Data Protection Act.