I. Scope of Application

1. Our purchasing terms and conditions will exclusively apply; we will not accept any terms of the supplier’s, which contradict or differ from our purchasing terms and conditions; we expressly agreed to them in writing. Our purchasing terms and conditions will even apply in the event that, despite having knowledge of any terms of the supplier’s, which contradict or differ from our purchasing terms and conditions, we accept the supplier’s delivery without reservation.

2. Any agreements made between the customer and the supplier for the purpose of performing this delivery agreement will be set forth in this agreement in writing. There are no oral sub-agreements.

3. Our purchasing terms and conditions will also apply to all further business transactions with the supplier.

4. These purchasing terms and conditions will only apply to transactions with enterprises in the spirit of Section 310, Paragraph 1, German Civil Code.

II. Purchase Order

1. Delivery agreements (purchase order and acceptance) and call-offs for shipments as well as any changes/amendments require the written form.

2. The supplier is obligated to accept our purchase order within the period of 2 weeks.

3. Call-offs may also be communicated by remote data transmission.

4. The customer has the right to require the supplier to make modifications of the purchased/contract product in terms of design and workmanship/ manufacture to a reasonable extent.

III. Prices and Terms of Payment

1. The price stated in the purchase order will be binding. In the absence of any written agreement stating otherwise, the price will include delivery “free buyer’s store” to the receiving point named by the customer.

2. Statutory value added tax is not included in the price.

3. In the absence of any written agreements stating otherwise, the customer will pay the purchase price within 14 days after delivery and receipt of invoice by applying a 3% discount, or net within 60 days after receipt of invoice. Invoices will only be processed if – as required by the purchase order – they include the purchase order number stated therein; the supplier will be responsible for any consequences resulting from failure to comply with this requirement unless supplier can prove that it is not responsible for such failure.

4. The customer enjoys the statutory offsetting and retention rights.

IV. Passing of Risk/Documents

1. In the absence of any agreements stating otherwise, delivery will be made “free buyer’s store” to the receiving point named by the customer.

2. The supplier is obligated to accurately state our purchase order number on all shipping documents and delivery notes; should supplier fail to do so we will not be responsible for any processing delays.

V. Delivery Period

1. The delivery period stated in the purchase order will be binding. Early shipments are only permissible with the customer’s written consent.

2. The supplier will bear the transportation risk.

3. The supplier will immediately inform the customer – including – in the event of any circumstances occurring, or supplier realizing that they may occur, which may result in a failure to meet the agreed delivery time.

4. In the event of delayed delivery the customer will be entitled to claims as provided for by law; supplier will not bear property free on the basis of the legal provisions.

5. The supplier agrees to strictly treat any illustrations/pictures, drawings, calculations and other documents and information received as trade secrets which may only be disclosed to third parties with the customer’s express consent. The reproduction of such items is only permissible within the scope of operational requirements and the provisions of copyright/intellectual property law.

6. This non-disclosure obligation will remain in effect even after termination of this agreement. The non-disclosure obligation will expire if and when the knowledge or other information conveyed in the illustrations/pictures, drawings, calculations and other documents becomes generally available.

7. Sub-suppliers will be bound by appropriate agreements accordingly.

8. The contractual parties may only use their mutual business relationship for the purpose of advertising with prior written consent of the other party.

XII. Place of Performance, Legal Venue and Applicable Law

1. The place of performance for deliveries and services will be the respective seat of control and organization, and supplier itself is externally liable.

2. Furthermore, within the scope of its liability for cases of damage in the spirit of Paragraph (1) supplier will also be obligated to reimburse any expenses according to Sections 683, 670, German Civil Code, or according to Sections 830, 840, 426, German Civil Code, which are incurred as a result of or in conjunction with any re-calls made by us. We will inform supplier about the content and scope of re-calls to be made – to the extent that is possible and reasonable – and give supplier the opportunity to state its position. Other statutory entitlements will not be affected.

3. The supplier agrees to maintain in effect a product liability insurance policy with coverage amounting to DM 5,000,000.00 per case of injury or death/property damage – flat. In the event that we are entitled to any further claims for damages, they will not be affected.

IX. Proprietary Rights

1. The supplier guarantees that the products delivered are unencumbered by any proprietary rights held by third parties and that the further delivery of these products, irrespective of their processing condition, and their use does not infringe on any patents, trademarks and other proprietary rights.

2. The supplier will discharge the customer and its customers from any third-party claims arising from any violations of proprietary rights upon the customer’s first demand to do so and will bear all costs necessarily incurred by the customer in this context.

3. The customer’s aforesaid claims will expire under the statute of limitations (period of prescription) after ten years following the execution of the agreement.

X. Retention of Title; Provision of Items

1. In the event that the customer provides any items to the supplier, the customer will retain the title to such items. Any processing or conversions by the supplier will be solely made for the customer. In the event that the retained goods are processed in conjunction with any other items which are not the customer’s property, customer will acquire a co-propriety of the new items in the amount of the value of customer’s item (purchase price plus VAT) in relation to the other processed items at the time of processing.

2. In the event that the customer is a merchant, claims for damages are inapplicable to the extent that the goods are inseparably mixed with other items which are not the customer’s property, customer acquires co-propriety of the new item in the amount of the value of customer’s item (purchase price plus VAT) in relation to the other mixed items at the time of mixing. In the event that the mixing occurs in such a manner that the supplier’s item must be deemed to be the main item, it is deemed to have been agreed that supplier assigns to customer a co-propriety on a pro-rated basis; the supplier will store items that are the customer’s sole or common property free on the basis of the legal provisions.

3. Any material provided by the customer will be separately stored, marked and managed up to the time of its processing or mixing. In the event of an impairment of value or loss the supplier will compensate for such impaired value or loss.

XI. Confidentiality/Non-Disclosure

1. The supplier agrees to strictly restrict any illustrations/pictures, drawings, calculations and other documents and information received as trade secrets which may only be disclosed to third parties with the customer’s express consent. The reproduction of such items is only permissible within the scope of operational requirements and the provisions of copyright/intellectual property law.

2. This non-disclosure obligation will remain in effect even after termination of this agreement. The non-disclosure obligation will expire if and when the knowledge or other information conveyed in the illustrations/pictures, drawings, calculations and other documents becomes generally available.

3. Sub-suppliers will be bound by appropriate agreements accordingly.

4. The contractual parties may only use their mutual business relationship for the purpose of advertising with prior written consent of the other party.

XII. Place of Performance, Legal Venue and Applicable Law

1. The place of performance for deliveries and services will be the respective receiving location stated in the purchase order.

2. The legal venue will be Munich if the supplier is a merchant. The customer, however, retains the right to bring legal actions against the supplier at generally applicable legal venue.

3. The contractual relationship will be governed by the laws of the Federal Republic of Germany.