

## **Terms and Conditions of Purchasing**

### **1. Validity of the terms and conditions**

All orders for the provision of goods and services that we place with effect from January 1, 2002 with legal entities incorporated under public law or with trusts incorporated under public law (hereinafter referred to as suppliers), shall be subject to the following conditions in the version that is current at the time of contractual conclusion. In the case of continuing obligations, the supplier shall be informed about any amendments to the terms and conditions in writing, specifying the amended terms and conditions and shall apply as agreed, if the contracting party proceeds with the continuing obligations, without objecting to this within an adequate time limit.

The contract content is based on the written agreements. No further agreements have been made. Contractual changes or amendments shall only be valid if they have been approved by us in writing. Our procurement department has the sole authority for purchasing Suppliers' supplementary conditions or business terms and conditions of business that are in variance or disadvantageous to us shall not be the subject of the contract even if they are not specifically rejected. These GTC shall also apply to future transactions with the supplier.

### **2. Offer**

Offers are deemed to be accepted upon confirmation by us in the form of an order in writing. Should we place an order, we shall not be bound by it if 14 days elapse without receipt of acceptance.

Our order number and article number is to be stated in all correspondence.

### **3. Prices**

Prices are stated in EURO, inclusive of shipping and packaging costs. Should transport costs be borne by us on the basis of an express agreement, the supplier is obliged to make use of the most favourable shipping method. Should insurance be required, the supplier shall take out the most favourable policy.

### **4. Delivery**

Delivery period and delivery deadline shall be in accordance with the order and are binding.

The delivery deadline or delivery period are deemed to have been met upon arrival of the goods at the place of performance. Delays in delivery are to be notified to us in writing with immediate effect.

Each delivery must be accompanied by the customary delivery note stating exact details.

The supplier shall only be permitted to entrust the provision of his service to third parties other than his own employees subject to our express written consent concerning the deployment of such sub-contractor for a specified service.

### **5. Payments**

We shall be authorised to transfer funds to any bank account of the supplier. The bank transfer date shall be the effective payment date in respect of payment punctuality.

Amounts invoiced shall be due at the earliest 30 days following invoice receipt. Should the service only be performed in its entirety at a later date, the amount invoiced shall be due no earlier than 30 days following the completion of the service. In the case of payment within two weeks after the due date, we shall be entitled to 3% cash discount.

Any statutory default interest owed to the supplier shall amount to a maximum of 5% points above base rate. Higher interest rates for other legal reasons and the enforcement of further damages shall not be excluded.

### **6. Endangerment of a claim**

In the event of our claims being endangered we shall be entitled to exercise our legal right of non-performance regarding all services connected within the same legal relationship in accordance with § 273 German Civil Code (BGB).

### **7. Transfer of risk**

The transfer of risk shall pass to us upon delivery of the goods at the specified destination.

### **8. Workpiece-related models, manufacturing facilities**

Should drawings, models, computer programs, files or manufacturing facilities in connection with the contract need to be provided such as tools (hereinafter referred to as facilities) these shall be collected by the supplier at no charge to us from a reasonable location specified by us. The supplier is obliged to return these upon our request at no charge, to a reasonable location specified by us. The costs of maintenance, repair and alterations shall be borne by the supplier.

Following receipt, the supplier shall inspect the engineering design, the concordance with drawings or patterns and the suitability for the purpose of the contract. He shall advise us of any defects, variations or unsuitability with immediate effect.

Payment for any facilities manufactured or provided by the supplier at our request within the scope of our contract shall only be made subject to our express agreement. Should the supplier invoice us with the cost of facilities manufactured or provided by the supplier at our request within the scope of our contract, title to such property shall revert to us upon payment in full.

The supplier shall be responsible for careful safekeeping at no charge to us. The supplier is required to take out third-party insurance and insurance against fire and theft at his expense at an adequate level of cover, which is to be agreed with us. The supplier is obliged to provide us with details concerning the insurance contract and its content and to provide us with a copy of the insurance contract. In the event of any claim, the supplier shall be required, at our request, to assign to us claims upon the insurance company as conditional payment.

Upon request, the facilities are to be delivered at no charge to a location reasonably specified by us.

The right of acquisition shall be granted to us at a reasonable price in the case of all other facilities that are exclusively used for delivery or the provision of services. Upon exercising such rights, the aforementioned terms and conditions shall apply.

Facilities produced or purchased by us or for us may only be used with our consent and only for the purpose of contracts concluded with us. Facilities that are not to be returned to us shall be stored upon termination of the business relationship for a period of 5 years or destroyed by the supplier at our request and at his expense.

## **9. Limitation of action**

A suspension of the statute of limitations of claims of the supplier in the case of negotiations (§ 203 German Civil Code (BGB)) only occurs if we have consented to negotiations in writing. The suspension of our claims ends no earlier than 3 months following our last written statement.

## **10. Damages**

### **a) Restriction of liability based on its merits**

The supplier shall only be entitled to claims for damages or for reimbursement of futile expenses due to violations of duty or if the performance owed is not rendered by us or not rendered as due by us, due to default or in the event of defects for

- claims resulting from injury to life, limb or health, which are particularly due to our at least negligent violation of a duty or an intentional or negligent violation of a duty of one of our statutory representatives or vicarious agents,
- other claims, which are based on an at least grossly negligent violation of an obligation on our part or on an at least grossly negligent violation of an obligation of one of our statutory representatives, executives or vicarious agents or the at least negligent violation of essential contractual obligations (cardinal obligations) on our part or an at least negligent violation of an obligation of one of our statutory representatives, executives or vicarious agents and
- claims, which fall within the scope of protection of a guarantee issued by us, Section 276 (1) of the German Civil Code (BGB).

### **b) Restriction of liability based on the amount**

If our liability for simple negligence and our liability for the grossly negligent behaviour of our vicarious agents, who are not statutory representatives or executives, is not excluded in accordance with letter a), then we are only liable for the claims that can be typically anticipated upon the conclusion of the contract and only up to the amount of the interest in the performance of the contract for the compensation of futile expenses.

### **c) Liability from pre-contractual obligations**

The aforementioned paragraphs also apply to claims for damages of the contracting party from obligations, which arise due to the initiation of contractual negotiations, the preparation of a contract or similar business contacts. If a contract is concluded between ourselves and the supplier, the claims for damages of the supplier are deemed as waived, which were not justified in accordance with the aforementioned regulations in the case of the existing contract.

## **11. Defects in delivery or service**

In variation to § 377 German Commercial Code (HGB) (Obligation for inspection and complaint): We retain the right to claim for faulty goods should we have disposed of them in part or in full in the course of normal business or used or changed them prior to discovery or recognition of the defect.

Our claims for defects of title shall be limited at the least to the regular period of limitation. Should the law prescribe a longer period of limitation, this shall apply exclusively.

The supplier shall release us from all claims by third parties that arise from material defects or deficiencies in title of the delivery or service. This shall particularly apply to manufacturers' liability and the violation of industrial property rights. The supplier is aware of the fact that we export our goods worldwide, particularly to Member States of the European Union, the European Economic Area, Canada and the USA. Deliveries or services made in reference to end products, raw materials or part products must therefore comply with domestic and international law and may not infringe any domestic or international industrial property rights.

## **12. Offset and retention rights**

The supplier is only authorised to offset with undisputed or legally established claims. The supplier shall only be entitled to exercise rights of retention including the law under Section 369 of the German Commercial Code (HGB) with undisputed demands or demands that have been recognised by declaratory judgement from the same legal relationship.

## **13. Assignment**

The assignment of claims against us is excluded. Should the legal transaction from which payment claims of the supplier arise be a commercial transaction by both parties, § 354 a of the German Commercial Code (HGB) shall apply.

## **14. Place of performance**

If the supplier is a trader, a legal entity incorporated under public law or a special fund incorporated under public law the place of fulfilment for both parties shall be our registered office or the delivery destination stated in our order.

## **15. Confidentiality**

Both parties undertake to treat as confidential all such business or trade secrets of the other party that become known to them in the course of contractual execution which shall also apply after termination of the contract. We shall be entitled to demand that the supplier also contractually obliges all employees and vicarious agents in a similar manner and grants us access to such agreements, where necessary.

## **16. Social responsibility and environmental protection**

The supplier undertakes to comply with the respective legal provisions regarding dealing with employees, environmental protection and work safety and to work on reducing detrimental impact on people and the environment with his activities. For this, the supplier will establish and further develop a management system in accordance with ISO 14001 within his means.

Furthermore, the supplier shall observe the principles of the UN's Global Compact Initiative. These essentially relate to the protection of international human rights, the right to collective bargaining negotiations, the abolition of forced labour and child labour, the elimination of discrimination in hiring and employment, responsibility for the environment and the prevention of corruption.

Further information on the UN's Global Compact Initiative is available at [www.unglobalcompact.org](http://www.unglobalcompact.org).

## **17. Applicable law, contract language, place of jurisdiction, partial nullity**

All legal relationships between the parties are governed by German law. The validity of the UN Convention on Contracts for the International Sale of Goods (CISG) is excluded.

The language of the contract is German.

If the supplier is a trader, a legal entity incorporated under public law or a special fund incorporated under public law, the exclusive place of jurisdiction for all disputes resulting from the contractual relationship is our company's head office. However, we are entitled to take the contracting party to court at another legal place of jurisdiction. It is agreed that regarding all other contracting parties, the place of jurisdiction will be Esslingen for all disputes resulting from the contractual relationship in the case where the party filing for legal action after the conclusion of the contract, no longer has Germany as his place of residence or if his usual place of abode is not known at the time of the commencement of the proceedings.

The invalidity of provisions in these contractual terms and conditions or another stipulation arranged between the parties shall have no influence on the validity of the remaining provisions of these terms and conditions of purchasing. In the case of other stipulations arranged between the parties, they are obliged to replace the invalid provisions with valid provisions which most closely correspond to the sense of the invalid provisions.