

General Terms and Conditions of Purchase of Köbller Technologie GmbH, Effective 01/2015**1. General**

- 1.1 These Terms and Conditions of Purchase apply to all companies, legal entities under public law and special assets under public law.
- 1.2 Our terms and conditions of purchase apply exclusively; we do not accept or recognize any contrary or divergent general terms and conditions of the supplier, unless such are expressly approved by us in writing. Our terms and conditions of purchase still apply even if we accept deliveries of products and services of the supplier (hereinafter called "subject of agreement") or pay for such while aware of contrary or divergent terms and conditions of the supplier.
- 1.3 Our terms and conditions of purchase also apply to all future deliveries and services rendered by the supplier to us before our new terms and conditions of purchase take effect
- 1.4 Should individual clauses of these general purchasing conditions be ineffective, this does not prejudice the effectiveness of the other provisions.

2. Contract Formation and Amendments

- 2.1 Purchase orders, contracts and delivery schedules, as well as changes and amendments thereto, shall not be binding unless made in writing. These documents can be provided by means of data transmission or fax.
- 2.2 Verbal arrangements made prior to or during contract formation must be confirmed by Purchasing, in writing for legal validity. Para. 2.1, Clause 2 remains unaffected.
- 2.3 Verbal arrangements following contract formation, especially subsequent amendments and additions to our terms and conditions of purchase, including this requirement for written form, as well as ancillary arrangements of any kind must be confirmed by Purchasing, in writing, for legal validity.
- 2.4 Cost estimates are binding and are not to be paid unless expressly agreed upon otherwise.
- 2.5 If the supplier does not accept the purchase order within two (2) weeks after receipt, we are entitled to cancel. Delivery schedules are binding if the supplier fails to object within five (5) work days after receipt.
- 2.6 We are entitled to demand changes to the delivery item which fall within reasonable limits for the Partner. In the event that the Agreement is amended, the effects on both parties must be adequately taken into account, particularly with regard to additional or reduced costs and delivery deadlines.
- 2.7 In the event that further agreements (e.g. QAAs, KLVs etc.) as well as delivery and packaging guidelines are agreed upon, they are an integral part of the agreement.
- 2.8 We are also permitted to withdraw from the Agreement with immediate effect if an application is made to open insolvency proceedings against the Partner's assets.

3. Deliveries

- 3.1 Deviations from our agreements and purchase orders are only permitted after receipt of our prior written approval.
- 3.2 Agreed-upon dates and periods are binding. Receipt of the goods by Köbller Technologie is authoritative for compliance with the delivery date or delivery period. If a delivery is not agreed upon as "carriage paid" (DDP or DAP according to Incoterms ® 2010), the supplier shall provide the goods in good time for loading and shipment while taking into account the time to be coordinated with the forwarding agent.
- 3.3 If the supplier has assumed set-up or installation and nothing else has been agreed upon, the supplier bears all necessary ancillary costs such as travel costs, provision of tools and activations except as otherwise provided.
- 3.4 If agreed upon dates are not observed, the statutory provisions apply. If the supplier anticipates any difficulties relating to production, supply of semi-finished products, compliance with the delivery date or other similar circumstances that could prevent him from delivering on time or with the agreed upon quality, the supplier must notify the department that placed the order promptly in writing. Para. 2.1 applies to the type of transmission.
- 3.5 The unconditional acceptance of the delayed delivery or service does not imply a waiver of any claim for compensation due to us because of the delay of the supply or service; this provision applied until full payment of all moneys due from us for the affected supply or service has been made.
- 3.6 Partial deliveries are generally not permitted, unless they are made with our express consent or they are reasonable for us.
- 3.7 Unless evidence to the contrary is presented, the quantities, weights and measures ascertained by our incoming goods inspection are decisive.
- 3.8 We have the right to use software which is part of the scope of delivery, including the related documentation, to the extent permitted by law (Articles 49a et seq. of UrhG (German Copyright Act)) and the right to use such software with the agreed performance features and to the extent necessary for making use of the product as agreed upon. We are also entitled to make a backup copy without the need of express consent.
- 3.9 The Partner shall remain owner of the delivered goods until full payment has been made (simple retention of title).

4. Force Majeure

Acts of God, industrial disputes, disruption of operations through no fault of ours, unrest, acts by authorities and other unavoidable events entitle us, notwithstanding our other rights, to withdraw either completely or in part from the agreement provided that such events do not have a considerable duration and do not result in a significant decrease in our demand.

5. Shipping Notice and Invoicing

The details provided in our purchase orders and delivery schedules apply. The invoice is to be sent to the respective address printed on it in one copy and stating the invoice number and any other features required for assignment; the invoice must not be enclosed with the shipments.

6. Pricing and Passage of Risk

If a specific arrangement has not been made, the prices are deemed without charge for delivery and free of duty (DDP according to Incoterms 2000) including packaging. Sales tax is not included. The supplier bears the material risk until the goods are accepted by us or our representative at the destination where the goods are to be delivered according to agreement.

7. Terms of Payment

- 7.1 Invoices shall be settled according to the agreed-upon terms of payment. Payment is subject to invoice verification.
- 7.2 In the case of the acceptance of early deliveries, the due date shall depend on the agreed delivery date.
- 7.3 In the event of incorrect or delayed deliveries, we are entitled to withhold an equivalent proportion of the payment until full compliance with the delivery conditions.

8. Warranty Claims and Recourse

- 8.1 Acceptance testing of goods takes place at the supplier's premises. The incoming goods inspection at the ordering party's premises is limited to checking product identity (checking the purchase order with the delivery note) and quantity, as well as looking for any apparent transport damage. The ordering party must promptly report any deficiencies noted in the delivery to the supplier in writing as soon as they are identified during the normal course of business. The supplier waives, in this regard, the plea of late notification of defect. This procedure shall be taken into account accordingly during the pricing of the respective object of delivery.
- 8.2 The supplier shall be liable for ensuring that the delivered goods are free of defects according to the following conditions.
- 8.3 In the event of delivery of defective goods, the supplier shall first be given, at the ordering party's discretion, an opportunity to sort out such goods and remedy the deficiencies, or to deliver a replacement prior to start of production (processing or installation), unless this is unreasonable for the ordering party. If this cannot be performed by the supplier or it fails to comply with its obligations, the ordering party is entitled to withdraw from the agreement without setting an extension and return the goods at the supplier's expense and risk.
In urgent cases the ordering party is authorized, after consulting with the supplier, to make a correction or improvement on its own or have a third party make such correction or improvement. The resulting costs are the responsibility of the supplier. If the same goods are delivered repeatedly with deficiencies, the ordering party is entitled to withdraw from the agreement for the unfulfilled scope of delivery following a written warning for the delivery of faulty goods. If deficiencies are noted prior to processing, the supplier will be charged for the delivery value of the product ex works plus the costs incurred for the transport from the supplier to the ordering party, possibly for the transport back and overhead costs. If the faulty products have already been processed by the ordering party, the supplier agrees to reimburse the necessary costs associated with removing and transporting the faulty products back. Costs that are invoiced to the ordering party by its customers on the basis of presentation of the customer's corresponding debit statements, testing costs, costs for sorting out of faulty products, installation and removal costs, downtime and disassembly costs in case of returns from on-site, costs for processing of complaints. This in no way affects the right to assert more extensive damage arising in connection with the delivery of faulty products. In general, a detailed statement of all amounts incurred and invoiced to the supplier by the ordering party if the customer of the ordering party has not agreed upon any flat-rate sums that the ordering party deems as appropriate. If the ordering party makes an agreement with a customer that entails a special procedure for determining the scope of faults or deficiencies without a specific examination into the cause of the deficiencies in particular cases upon occurrence of deficiencies after installation of the product in a vehicle (a so-called reference market procedure), the supplier is willing to agree to a corresponding procedure for the relationship between the contracting parties. If the same goods are delivered again with deficiencies, the ordering party is entitled to terminate the agreement following a warning in the event of another faulty delivery. This also applies to products not yet delivered. The right to seek damages, especially the right to damages for non-performance, is expressly reserved. The damages also include consequential damages.
- 8.4 In case of culpable violation of contractual obligations in addition to the delivery of faulty goods (e.g. the duty to examine, advise and clarify), the ordering party can demand replacement of the resulting consequential damages caused by a defect and the associated consequential damages that the ordering party must reimburse to its customer by law in accordance with Para. 9. Consequential damage is any damage incurred by the ordering party to other legally protected interests, other than the goods themselves, as a result of the delivery of defective goods.
- 8.5 The supplier is to be provided with parts which resulted in the assertion of material defect claims at the request and at the expense of the ordering party.
- 8.6 In case of defects in title, the supplier shall indemnify us from any possible third party claims.
- 8.7 For parts of the delivery that are serviced or repaired during the statutory period of limitation for warranty claims, the statutory period of limitation shall start anew at the time when the supplier completely fulfills the demands for supplementary performance.
- 8.8 If we incur any costs as a result of defective delivery of the subject of agreement, especially transport, travel, labor, material or any other costs for an incoming goods inspection that exceed the usual scope, the supplier shall reimburse us for these costs.
- 8.9 In case of non-compliance with the packaging guidelines, the supplier shall bear the costs of repackaging.
- 8.10 Unless stipulated otherwise in the above provisions, the consequences from faulty deliveries shall be based on the statutory provisions.
- 8.11 The Partner is required to comply with the valid legal regulations of the European Union and Federal Republic of Germany, e.g. REACH regulations (Regulation EC no.1907/2006), the law regarding the return and environmentally sound disposal of electrical and electronic equipment (ElektroG), the national implementation of Directive 2002/95/EC (RoHS) and Directive 2002/96/EC (WEEE) as well as the End-of-Life Vehicles Act as a national implementation of EU Directive 2000/52/EC. The Partner shall immediately notify us of any relevant changes made to the goods, their ability to deliver, applications and quality which become necessary as a result of legal requirements, particularly due to the REACH regulations, and shall agree with us in each case any appropriate measures. The same shall apply as soon as and to the extent in which the Partner becomes aware that such changes will be necessary.

9. Product Liability and Recall

In the event that claims are asserted against us on the basis of product liability, the supplier is obligated to indemnify us from any such claims if and insofar as the damage is caused by a fault of the subject of the agreement delivered by the supplier. In cases of liability based on fault, this applies only when the Supplier is at fault. If the cause of damage falls within the area of the Supplier's responsibility, it shall have the burden of proof to that extent. In such cases, the Supplier assumes any and all costs and expenses, including the costs of any possible legal action or recall activities. Otherwise the statutory provisions shall apply.

10. Performance of Work

Individuals who are employed on our site in order to fulfil the Partner's obligations are subject to the conditions of our Company Regulations and our requirements with regard to the applicable accident prevention, occupational safety, environmental and other regulations. Hazardous substances may only be used on our site after obtaining clearance from our specialist personnel and must be labelled as required by law. Liability for accidents in which these persons are involved on the factory premises shall be excluded, unless they were caused by an intentional or grossly negligent violation of obligation on part of our legal representatives or assistants.

11. Provisions

Materials, parts, containers and special packaging provided by us remain our property. These may only be used for their intended purpose. The processing of materials and assembly of parts are our responsibility. It is agreed that we are co-owners of the products manufactured while using our materials and parts which are used in this regard by the supplier in relation to the value of the materials and parts provided and the value of the overall product.

12. Certificates of origin, VAT certificates and export restrictions.

12.1. You must ensure that any certificates of origin that are requested by us contain all of the required details and are correctly signed and supplied without undue delay. The Partner shall inform us in writing immediately, and without being requested, if the details on the certificates of origin are no longer correct for the delivered goods.

12.2. This also applies to certificates required under VAT laws for foreign and intra-Community deliveries.

12.3. The Partner must notify us immediately if a delivery or part of a delivery is subject to export restrictions under German or any other law.

13. Documents and Confidentiality

13.1. All commercial or technical information made available by us (including features that can be found, for instance, on the objects, documents or software provided as well as other knowledge or experience) if and insofar as they are not demonstrably part of public domain are to be kept confidential and not disclosed to third parties and may only be made available within the supplier's own company to those persons who must be consulted for the purpose of the delivery to us, and who have also agreed to a corresponding confidentiality clause; they remain our exclusive property. Without our prior written authorization, such information may not be copied or used for commercial purposes aside from deliveries to be made to us. At our request, all information that comes from us (possibly including copies or recordings made) and objects provided on loan basis are to be returned to us immediately and in full or destroyed. We reserve all rights to such information (including copyrights and the right to register intellectual property rights such as patents, utility samples, etc.) If such are made available to us by third parties, this legal reservation applies in favor of the relevant third parties.

13.2. Products that are manufactured according to documents drafted by us, e.g. drawings, models, and such, or on the basis of our confidential information or with our tools or with tools that are modelled on our tools may not be used by the supplier itself or offered or supplied to third parties. This also applies accordingly to our print orders.

13.3 This obligation shall commence on receipt of the first documents or information and shall cease 36 months following the end of the Agreement.

13.4 Drawings and descriptions which we pass to the Partner remain our inalienable material and intellectual property and should be returned back to us immediately after the service is completed. The Partner shall transfer to us ownership of drawings and descriptions created from our details once payment has been made in full.

14. Place of performance, place of jurisdiction and applicable law

14.1 The place of performance for all deliveries of goods is the location stated by us. The place of performance for our payments is the location of our site which concluded the Agreement.

14.2 Our registered office shall be the place of jurisdiction for any disputes, including special procedures deciding claims arising out of a bill of exchange [Wechsel- und Scheckprozesses]. We are also entitled to bring an action at the Partner's principal place of business.

14.3 This Agreement shall solely be subject to the law of the Federal Republic of Germany. Application of the United Nations Convention on Contracts for the International Sale of Goods of 11 April 1980 (CISG) is excluded.