

Conditions of Purchase

As at 01.04.2008

Our orders and transactions with contractors are subject exclusively to the conditions of purchase below. Differing conditions of sale from the supplier will only be accepted if we have confirmed them in writing as a supplement to our conditions of purchase. Without this acceptance, they are not binding on us even if we do not expressly reject them. The same applies if we accept goods ordered in whole or in part or make payments. With the first delivery under these conditions of purchase, the supplier recognises them as being exclusively legally binding for all further supply relationships.

1. Orders

1.1. Orders or changes to orders are only valid if we submit or confirm them in text form and they are signed by two authorised signatories, unless the order is made via our electronic ordering system. Verbal agreements are only valid if they are confirmed in writing.

1.2. The supplier must confirm the order/change within 2 working days in writing. If we do not have proper confirmation within 5 working days – calculated from the receipt of the order/change – we are entitled to cancel the order without this making us susceptible to any claims on the part of the supplier.

1.3. For any orders, which are not yet fully completed, we are entitled to demand changes at any time with regard to the design, delivery and delivery time.

1.4. The supplier may only subcontract with our agreement.

1.5. If the supplier suspends payments, insolvency proceedings are started against his assets, or if he asks his creditors for composition by deed of arrangement, we are entitled – notwithstanding our other rights – to withdraw from the contract. In the case of composition by deed of arrangement such withdrawal will be after agreeing an appropriate period for performance.

2. Delivery and acceptance

2.1. The delivery must correspond to our order or to our delivery schedule in terms of design, quantity and classification and must be made punctually.

2.2. Agreed delivery dates are binding. If they are not met due to reasons within the control of the supplier, we are entitled to assert our legal claims for default.

The supplier is furthermore obliged, on our request, to hand over the production materials specially required for the outstanding delivery and, provided these do not belong to us, to transfer them to our ownership in return for our reimbursement of their present value. The statutory regulations also apply.

2.3. The supplier must pay due regard to the specifications of the relevant transporter, carrier or haulier. The supplier will be liable for any damage resulting from inadequate packaging. Unless a special arrangement has been reached the packaging costs, haulage and warehouse charges and all incidental shipping costs will be borne by the supplier. This also applies with respect to additional costs resulting from accelerated transportation necessitated by circumstances within the control of the supplier.

2.4. Unless a special arrangement has been reached the return of empties and packaging materials, unless it is disposable packaging, will be freight collect at the expense of the supplier.

2.5. For free delivery to the factory, the risk will be transferred to us if the delivery has been properly handed over and accepted at the place of delivery.

2.6. The number of units, quantity, weights and quality features established in our incoming check shall prevail. The defence of delayed notification of defective goods or acceptance without reservation is excluded. We are not obliged to accept part or additional deliveries, which have not been agreed. We are entitled to return deliveries made before the agreed delivery date to the supplier, at the latter's expense and risk, or to charge storage costs.

2.7. Natural disasters, unrest, official measures, transport disruption, employment disputes and other disruption of operations in our or our suppliers' business, which lead to a suspension or restriction of our production, or which prevent us from transporting the goods ordered, will free us from our acceptance obligation for the duration and scope of their impact, insofar as we cannot avert the disruption, or averting it is not possible by reasonable means.

3. Quality

3.1. The supplier guarantees that the goods under order meet the legal requirements and agreed standard. The supplier furthermore guarantees that the goods under order are free of design, material or manufacturing faults.

3.2. The supplier must carry out a quality check that is suitable in terms of its nature and scope, and is in tune with the latest technical developments.

3.3. Should we demand an initial or reference sample, the supplier may only commence series production upon receipt of our express written approval.

3.4. We expect the supplier to ensure that the products he supplies to us are always state of the art in terms of quality, and to inform us of any possible improvements or technical modifications. Any modifications to special items being supplied, however, may only be carried out with our express prior agreement.

4. Prices, payments and transfer of ownership

4.1. Unless a special arrangement has been reached the prices specified in the order apply free to our factory, in principle. If, exceptionally, the prices are not agreed in advance, the contract shall only come into existence once we have accepted in writing the binding prices to be quoted in the order confirmation.

4.2. Payment will be made after the receipt of the goods in accordance with the contract, together with their proper accompanying documents, the requested specific test report and of a proper and verifiable invoice. Unless a special arrangement has been reached, invoices will be settled after 30 days with a 3% discount, or within 60 days with no discount. This period will run from the receipt of the invoice and delivery or completion of the invoice check. Deliveries made and accepted prior to the agreed delivery date will only be classed as received at this time.

4.3. Payment will be made using the means of our choice.

4.4. The supplier may not assign his accounts receivable from us, nor have them collected by third parties.

4.5. In cases of a defect in quality or title we are entitled to delay payment until this has been properly rectified.

4.6. If we have paid an advance or provided materials for processing, ownership of the goods ordered shall pass to us when their manufacture commences. Transfer is replaced by the agreement that the goods will remain in the supplier's possession for processing until the agreed delivery date and will be held on our behalf.

5. Guarantee and liability

5.1. In cases of defective delivery, the statutory regulations will be applicable unless otherwise specified below. Rather than resorting to an exchange or reduction in price – to which we always reserve the right – we are entitled to request that the supplier eliminates the defects free of charge within a reasonable period of time (rectification). Should such a situation arise in urgent cases and the supplier be unable to complete this rectification within the necessary deadline which we have been compelled to set, we are entitled, after prior consultation with the supplier and at his expense, either to undertake this rectification ourselves, to have it carried out by a third party, or to procure a replacement by other means. The same applies if the supplier defaults on their guarantee obligations.

5.2. The supplier will bear liability for replacements and rectification work to the same extent as for the original delivery item; for replacements, the guarantee period will start again.

5.3. The supplier will pick up rejected goods at his own expense and risk for the return, regardless of the location of the defective item.

5.4. In the case of repeated defective delivery and after previously threatening to claim for the damages arising, we are entitled to withdraw from the outstanding part of the supply contract and, for successive supply contracts, to terminate them with immediate effect. Any non-amortised tool costs paid by us will be reimbursed.

6. Third party trademarks

6.1. The supplier is liable for ensuring that the use of the goods he supplies – insofar as he has designed them – does not either directly or indirectly infringe domestic or overseas trademarks or other rights that do not enjoy special protection, and releases us and our buyers from all resulting claims. Furthermore, the supplier is liable for any other direct or indirect damages suffered by us due to his infringement of such rights.

6.2. Should the supplier establish during manufacturing that this could infringe trademarks or trademark applications, he must notify us immediately without being asked to do so.

7. Production tooling

7.1. Tooling such as drawings, models, samples, tools, templates and the like, which we provide to the supplier or which are produced by the supplier to our specifications, may not be sold, pledged or otherwise passed on to third parties, nor used for third parties in any way, without our written consent.

7.2. Insofar as we pay the supplier in full or in the main for production materials or tooling, the supplier will transfer ownership to us. Transfer is replaced by a loan agreement, under which the supplier is entitled to be in possession of the tooling or production materials until we cancel such entitlement.

The processing of materials and the assembling of parts will be carried out on our behalf. It is understood that we are joint owners of the products manufactured using our materials and parts, to the extent of the value of the production materials provided as a proportion of the value of the product as a whole, and that the supplier is holding these products in safe custody for us. The supplier is not entitled to a right of retention over any such production tooling owned by us.

7.3. Costs for the care, maintenance and renovation of tooling supplied by us, produced to our specifications or paid for by us in full or in the main will be borne, in principle, by the supplier. This production tooling may only be modified with our prior written consent. They must be returned to us at the supplier's expense and risk upon our request.

7.4. The supplier is obliged, at his own expense, to insure the tooling against fire, water and damage on our account.

8. Confidentiality and advertising

8.1. The supplier is obliged to view the order and all associated commercial and technical details as trade secrets and to treat it as strictly confidential. This obligation must be passed on to sub-contractors.

8.2. The supplier may only refer to his business relationship with us in his advertising if we have given our prior, written agreement to this.

9. General

9.1. Ordering and making deliveries are subject exclusively to the laws of the Federal Republic of Germany. Application of the UN convention on CISG (Contracts for the International sale of Goods) is ruled out.

9.2. The place of performance and jurisdiction is Stuttgart or, should we so choose, the headquarters of the supplier.