1. Scope of Validity

1.1 Any deliveries, performances and offers by us shall be based on these Terms and Conditions of Purchasing. These Terms and Conditions of Purchasing are not negotiable and cannot be amended, nor, without our written acknowledgment, are any modifications to be understood as constituting our undertaking to the contrary.

1.2 Terms and conditions of the Supplier which deviate from, or are contrary to our Terms and Conditions of Purchasing are not part of the contract, unless we have acknowledged them in writing. As an alternative form of notification, we can notify the Supplier of the unacceptability or non-conformity of documents in lieu of our knowledge of such deviating terms and conditions of the Supplier. By delivery or performance the Supplier recognizes the validity of these Terms and Conditions of Purchasing.

1.3 These Terms and Conditions of Purchasing shall only be applicable with respect to entrepreneurs as defined in §14 German Civil Code.

1.4 Our Terms and Conditions of Purchasing shall also be applicable to all future business transactions with the Supplier, even if not explicitly agreed.

1.5 Risk of shipment and freight insurance are at the expense of the Supplier. Dispatch notes must be provided separately for each department and immediately upon receipt of shipment. Order number and order confirmation number must be provided on the stick-on-labels of wagon freight and each item of shipments at our request. We are entitled to make additional requests with regard to the delivery and to order the goods and to arrange the insurance.

6. Inspection - Warranty

6.1 The Supplier is obligated to inspect goods delivered within a reasonable period for defects in quality or quantities in detail. Complaints will be deemed timely if received by the Supplier within 10 work days after delivery, or if such defects could not be discovered in the course of a proper inspection, within 10 work days of discovery of such defects. We explicitly reserve the right to recognize defects in excess of the ordered goods as constituting performance of the contract.

6.2 If the goods are defective and the Supplier’s subsequent performance fails, we are not obligated to inspect the goods provided by the Supplier for subsequent performance.

6.3 We are entitled without any qualifications to all claims based on defect provided by law. Independent thereof, we are entitled to demand from the Supplier, upon our discretion, rectification or replacement delivery. The Supplier shall be responsible for all necessary costs of such rectification or replacement delivery. We explicitly reserve our rights to damages, in particular damages instead of performance; hence our claim for performance shall continue to exist until the time we demand damages instead of performance in writing.

6.4 The Supplier shall reimburse us for any expenses in connection with our contract if we withdraw from the contract due to the Supplier’s breach of contract and such expenses were neither due to a defect in the contract nor due to an act of ours.

6.5 Claims for defects become time-barred at the statuteably determined time, but in no case earlier than 2 months after we have satisfied claims from our customers with respect to the same defects of good; provided, however, that the tolling of the statute of limitation will end at the latest 5 years after our receipt of the invoice for such goods, the statute of limitation for replacement parts will run anew. The statute of limitation will be tolled for the period of the Supplier’s inspection for defects or rectification (which inspection shall include Supplier’s commencement of inspection and Supplier’s passing on of the delivered goods to third parties for purposes of inspection) until the time the Supplier notifies us of the result of its inspection, declares the defect rectified or refuses to continue with the rectification.

6.6 Claims for defects in title will become time-barred after 10 years.

6.7 If the Supplier is in delay with respect to rectification or replacement delivery or in urgent cases when the Supplier cannot be reached in time or unable to provide rectification or replacement in time, we have the right to undertake, or to ask third parties to undertake, such rectification or replacement delivery at the expense of the Supplier. We will notify the Supplier immediately of the facts supporting our claim.

6.8 We reserve our right to recoup under §478 and §479 German Civil Code. Costs accumulated by us with respect to our duty of subsequent performance and all costs imposed on us by our customers shall be deemed borne by the Supplier for subsequent performance, independent of whether the goods supplied were further processed by us or third parties and independent of whether such third party or person is not a consumer but an entrepreneur.

6.9 In case we take back goods produced and/or sold to us due to defects of the goods the Supplier provided, or if the price of such goods is reduced as against us, or if other claims were brought against us with respect to such goods, we reserve the right to respond to the contract with the Supplier with our rights regarding defects not being subject to the setting of a period for performance otherwise required.

6.10 The statute of limitation for delivery parts repaired or replaced within the statute of limitation applicable to us in case of defects shall begin to run anew beginning with the date the Supplier completely fulfilled our claims for subsequent performance.

6.11 The Supplier shall reimburse us for any costs resulting from defective deliveries, in particular costs for transportation, toll, labor and material, as well as costs of delivery inspections exceeding customary amounts.

6.12 The Supplier is liable for damages and shall indemnify us upon first request with respect to any defects in the contract resulting after such goods have been resold to third parties and that were caused by Supplier’s incorrect formal appearances, in particular advertisements or declarations of quality provided, however if the Supplier proves not to be responsible for the incorrectness thereof.

7. Product liability - indemnification - insurance - quality assurance

7.1 To the extent the cause of the damages was within Supplier’s sphere of influence or organization and the Supplier would be liable towards third parties, the Supplier shall indemnify us on first demand against claims from third parties with respect to any damages of goods for which the Supplier is responsible.

7.2 Further, the Supplier shall reimburse us for all expenses resulting from or in connection with any recall initiated by us. We will timely inform the Supplier to the extent feasible and reasonable, about the matter and the scale of a recall. The foregoing is without prejudice to any further legal rights available to us.

7.3 The Supplier shall maintain products liability insurance with a blanket coverage of Euro 5 million per damage to person/proper, provided that our rights to additional damages shall not be prejudiced thereby.

7.4 The Supplier shall be liable for the conformity of the supplied goods to acknowledged rules of technology, industrial regulations and any other regulations applicable to the purchased goods. The Supplier shall comply with generally recognized standards such as DIN, ISO, VDI and VOE.

7.5 The Supplier shall be liable for defects in design, manufacturing and instruction as well as for all defects that could have been discovered by proper inspection before delivery to us.

8. Industrial property rights

8.1 The Supplier shall, unless otherwise specified in the contract, guarantee that no industrial property rights of third parties will be violated in connection with its deliveries. The Supplier acknowledges that we distribute our products worldwide.

8.2 The Supplier shall indemnify us upon first demand against any claims by a third party regarding a violation of such party’s industrial property rights. If the Supplier does not cease to violate our industrial property rights within a reasonable period, we are entitled to bring claims against the Supplier for damages, indemnification for losses, and in any event, to achieve a settlement with such third party without Supplier’s consent.

8.3 Supplier’s duty of indemnification shall extend to all necessary costs resulting from or in relation to such third party claims.

9. Provision of Material

9.1 We reserve title to any parts we provide to the Supplier. Processing or transformation of such parts by the Supplier shall be for our benefit. It parts or goods with respect to which we retain ownership right “Leased goods” are processed or transformed together with other goods that we do not own, we shall acquire co- ownership in the new goods in the proportion of the value of such reserved goods at the time of processing to the other processed goods.

9.2 If parts supplied by us are irreversibly mixed with goods in which we have no ownership rights, we shall acquire co-ownership in the new goods in proportion of the reserved goods at the time of mixing to the value of the other mixed goods. If the mixing results in Supplier’s goods’ constituting the principal thing, we shall acquire a proportionate co-ownership. The Supplier shall keep goods in which we have ownership or co-ownership on our behalf.

10. Rights of title

10.1 We hereby explicitly contest any extension, enlarged, or other reassignment of title of the Supplier with goods ordered by us.

11. Joint performance - venue - applicable laws

11.1 Unless otherwise provided in our order, the place of performance shall be our principal place of business.

11.2 If the Supplier is an entrepreneur, it is agreed that with regard to all claims and disputes arising out of or in connection with the present contract, the court of natural jurisdiction.

11.3 Notwithstanding the foregoing, we shall also be entitled to bring claims against the Supplier at its place of natural jurisdiction.

11.4 Our relationship shall be subject to the laws of the Federal Republic of Germany.