

## Conditions of Purchasing

### 1. General

- 1.1 The legal relationships between the Contractor and ourselves (Autronic Steuer- und Regeltechnik GmbH) follow from these conditions of purchasing and any possible other written agreements.
- 1.2 Amendments and supplements to these conditions of purchasing and any possible other agreements must be in writing. Any waiver of this requirement for written form must itself be in writing.
- 1.3 The Contractor's terms and conditions of business are not agreed, even if these are not expressly contradicted.

### 2. Ordering / Acceptance of order

- 2.1 Orders must be in writing and signed.
- 2.2 Verbal ancillary agreements, as well as amendments and supplements, must likewise be in writing and indeed require our written confirmation and countersignature.
- 2.3 The acceptance of the order must be confirmed in writing, detailing our order data in full, within 10 days.

### 3. Delivery

- 3.1 The deadlines for delivery/call-off agreed in writing are legally binding, with the date of arrival of the agreed merchandise at the reception point we have specified being definitive for compliance with them.
- 3.2 If a carriage forward delivery of merchandise has been agreed, then the Contractor must have the merchandise ready in good time – taking the time needed for despatch into account – and advise us accordingly.
- 3.3 If there is any threat of delays in delivery, the Contractor must inform us immediately in writing, giving details of the reasons for, and the probable duration of, the delay.
- 3.4 The statutory provisions apply in the case of any delivery or call-off date being earlier than agreed.
- 3.5 The unconditional acceptance of any delayed delivery does not include the waiver of any claims on account of the delayed delivery of the merchandise to which we might be entitled under the law.
- 3.6 A delivery note, along with the documentary evidence of origin concerned and the goods number of the merchandise for statistical purposes must accompany each and every delivery of merchandise.

### 4. Force majeure, Incapacity to pay, Insolvency

- 4.1 In the case of force majeure occurrences we reserve the right to withdraw from the contract, or to adjust it for the duration, and in the context, of the circumstances of the disturbance.
- 4.2 If one contracting party discontinues its payments or if insolvency proceedings are opened on its assets, then the other contracting party has the right to withdraw from the part of the contract that has not yet been fulfilled.

### 5. Pricing, Prohibited customer and Passage of risk

- 5.1 Unless agreed otherwise deliveries are made duty-paid and free of the costs of freight and packaging, and of the costs of insurance, to the reception point that we have specified in advance.
- 5.2 If a carriage forward delivery of merchandise is made, then we specify the carrier. For this eventuality we draw attention to the fact that we have taken out our own transportation insurance.
- 5.3 Risk is passed over at the reception point that we have specified in advance.

### 6. Invoicing and Payment Conditions

- 6.1 Invoices must be prepared in duplicate, must give our order details in full, and must be sent to the address specified in our order.
- 6.2 Unless agreed otherwise, settlement is made of invoices that have arrived up to the fifteenth of any month by the fifth working day thereafter, taking 2% cash discount. Net payments are settled after the fifteenth day of the following month, but at the latest on the fifth working day after that deadline. The beginning of the period is in each case after the time at which both the invoice and the merchandise to be delivered have arrived, i.e. when Contractor has performed in accordance with the contract.
- 6.3 The Vendor shall bear the risk of a deterioration of the exchange rate of foreign currency against the euro for the period from the date on which the contract is entered into until the date when the seller receives the payment.
- 6.4 Payment is made subject to the invoice being checked.

### 7. Notice of defects / Examination of merchandise on arrival

- 7.1 In the context of our conducting business in an orderly manner, we will examine merchandise that has arrived to check that it is in line with the quantity and type ordered, and whether any transport damage than can be identified externally has occurred.
- 7.2 Variances from the order, and defects established in the course of conducting the business systematically, will be notified to the Contractor in writing.
- 7.3 Provided a written protest arrives at the Contractor within 14 working days of the discovery of the variance(s)/defect(s) it is deemed to have been lodged punctually.
- 7.4 The Contractor, to this extent, waives the objection that notification of the protest was delayed.
- 7.5 Tests on incoming merchandise going over and above those made in the normal course of business must be agreed separately in writing.

### 8. Guarantee

- 8.1 The Contractor's guarantee follows from the statutory provisions, unless otherwise agreed below.
- 8.2 Parts of delivered merchandise that have defects, or become defective within the guarantee period or fail to have any property that has been agreed, are re-delivered or rectified, at our absolute discretion, with all costs paid to the point of use.
- 8.3 The same applies if the merchandise delivered does not match up to the latest developments in technology or does not comply with the requirements and features that we have specified.
- 8.4 The Contractor bears any costs that arise for us under 8.3 above.
- 8.5 The Contractor's duty to bear costs applies to all costs that arise for us vis-à-vis customers in the case of onward sale of the delivered merchandise as a result of any possible rectification, including transport, infrastructure, labour and material costs.
- 8.6 The guarantee period is 24 months from delivery to our customers, and at the most 30 months from delivery to us.
- 8.7 If defective merchandise is delivered repeatedly and/or if services are repeatedly not performed in accordance with the contract, then we have the right to withdraw from it, and in the case of multiple delivery contracts and/or part deliveries that have not yet been fulfilled, we have the right to give immediate notice of its termination.
- 8.8 In urgent cases or in the case of delay we have the right – irrespective of other claims that we may have – to obtain restitution at the Contractor's costs and risk or to eliminate the defects ourselves or have them eliminated.
- 8.9 The above guarantee provisions also apply to rectifications and substitute deliveries and in particular, following complete elimination of the defects, the guarantee periods mentioned above apply afresh to the services and merchandise involved in the defect elimination process.

### 9. Guarantee of properties

- 9.1 The Contractor guarantees that the delivered merchandise is suitable for the end use set out in the contract and likewise complies with the specifications that were laid down, and with its own company standards, such as product descriptions and advertising details given by the Contractor itself or by third parties.
- 9.2 In the spirit of the above the Contractor guarantees, in line with § 443 of the German Civil Code, the details of the properties that it has procured, the service life and the suitability of its merchandise for use for the end use that was presupposed.
- 9.3 The Contractor will indemnify us for all losses that arise as a result of non-compliance with this guarantee.

### 10. Product Liability

- 10.1 If a claim for compensation in damages is laid upon us on account of any defect in our product, the Contractor must indemnify us from this duty to pay compensation in damages to the extent that the third party's loss was caused by any defect in the product delivered by the Contractor.
- 10.2 The Contractor is also obliged in such a set of circumstances to reimburse any possible expenditure that results from, or in connection with, any return of merchandise undertaken by us with justification. We will on request advise the Contractor so far as possible and reasonable on the content and extent of the measures that are going to be taken, and give it an opportunity to comment.
- 10.3 The Contractor must at our request prove that both the risk of any recourse arising from product liability, and the risk of having to indemnify us from claims arising from product liability, are protected by sufficient insurance cover. Any limitations to the liability of the Contractor do not count as having been agreed vis-à-vis ourselves.

### 11. Execution of works

- 11.1 Persons who undertake work in fulfilment of the contract on our factory premises must heed our respective regulations and requirements; the existing requirements for entering and leaving our manufacturing facilities must be complied with.
- 11.2 Any liability for accidents to such persons on our factory premises is ruled out, unless it is possible to prove that there was intention or gross negligence.

### 12. Assignment

Claims on us may only be assigned, or collected by third parties, with our prior written consent.

### 13. Retention of title

Any retention of title – whatever form it may take – is only legally binding if it was agreed in writing outside the Contractor's terms and conditions of business.

### 14. Provision of materials

- 14.1 Materials or parts provided by us remain in our ownership. They must only be used for their intended purposes. The processing of materials and the assembly of parts is undertaken on our behalf.
- 14.2 It is tacitly agreed that we are joint owners of the products manufactured using our materials and parts in the proportion that the value of what we have provided bears to the value of the product as a whole, which is in this respect held by the Contractor in safe custody for us.

### 15. Secrecy and use of manufacturing resources

- 15.1 The Contractor undertakes to treat all commercial and technical details that are not demonstrably in the public domain, and that become known to it as a result of its business relationship with us, as trade secrets.
- 15.2 Drawings, models, patterns, specimens, parts lists and similar items and documents handed over must not be handed over, or made accessible in any other way, to third parties.
- 15.3 Reproduction of such items is only permissible in the context of operational requirements and of copyright regulations.
- 15.4 These items are entrusted to the Contractor solely for the execution of the order and must be given back to us, at its expense, when the order has been fulfilled.
- 15.5 This applies correspondingly for items of the same kind manufactured by the Contractor in accordance with our details.
- 15.6 Corresponding obligations must be imposed on subcontractors.

### 16. Third party industrial property rights

- 16.1 The Contractor is liable for claims that arise, when items delivered are used in accordance with the contract, from the infringement of third party industrial property rights or industrial patent applications.
- 16.2 The Contractor indemnifies us and our customers against all claims arising from the utilisation of such industrial property rights.

### 17. General provisions

- 17.1 Should any provision of these conditions of purchasing and any possible other written agreements be or become ineffective, then the validity of these conditions of purchasing and any other possible written agreements is not otherwise affected thereby. We and the Contractor commit ourselves to replacing the ineffective provision by whatever ruling comes the closest possible to it in terms of its financial outcome.
- 17.2 The place of fulfilment for the Contractor's deliveries and services is the place from which the order has been sent out, if details of some other place have been specified in the order, then that place is the place of fulfilment.
- 17.3 Vaihingen / Enz, Germany is the exclusive place of jurisdiction for all orders and deliveries (both in the case of deliveries to the place specified in the order, and in the case of the Contractor making deliveries direct to our customers).
- 17.4 Sachsenheim, Germany is the place of fulfilment for payments.
- 17.5 German law applies, to the exclusion of the UN-purchasing law (The United Nations Convention on Contracts for the International Sale of Goods) and the corresponding provisions for transformation.

Stand: October 2014