

Zollner Elektronik AG

General Purchase Conditions



Date: July 2005

§ 1

General – Scope

- (1) Our Purchase Conditions shall apply exclusively. Any other conditions of the supplier which contradict or vary from these Purchase Conditions shall not be accepted by us unless such acceptance is made expressly in writing. Our Purchase Conditions shall also apply if we accept deliveries from the supplier without reservation with notice of conditions at variance to these Purchase Conditions.
- (2) Any and all agreements between us and the supplier under this agreement shall be in writing.
- (3) Our Purchase Conditions shall apply only in relation to merchants in terms of § 310 Section 1 of the German Civil Code (BGB).
- (4) Our Purchase Conditions shall also apply in relation to any future transactions with the supplier.

§ 2

Orders

- (1) The supplier shall accept in writing our order within 3 work days.
- (2) Any depictions, drawings, calculations and other documents shall remain our property and subject to our rights of ownership and copyright. Such shall not be made accessible to any third parties without our express written permission. Such shall be used exclusively for production on the basis of our order. After completion of the order such shall be returned to us without any need for us to request this to be done. Such documents shall be kept secret in relation to any third parties and in this regard the provisions of § 9 Section (4) shall also apply.

§ 3

Prices – Payment Conditions

- (1) The price indicated in the order shall be binding. In the event of no written agreement to the contrary all prices shall be for delivery "to door" including packing.
- (2) We can process any invoices only if such indicate the respective order number in accordance with the details in our order. The supplier shall be responsible for the results of any non-compliance with this duty, unless it can establish that it is not responsible for such.
- (3) Unless otherwise agreed in writing, we shall pay the purchase price within 30 days calculated from the date of receipt of delivery and invoice with 3 % discount for cash or net within 90 days after receipt of invoice.
- (4) Any rights of set-off or retention of moneys shall be available to us to the extent allowed by law.

§ 4

Delivery Time

- (1) The delivery time contained in the order shall be binding.
- (2) The supplier shall notify us immediately in writing if any circumstances occur or become apparent to the supplier as a result of which the delivery time provided for cannot be met.
- (3) In case of delay in delivery we shall be entitled to the rights set out in law. In particular we shall be entitled to claim compensation and withdraw from the contract after the expiry of a reasonable further deadline set without delivery. In the event that we claim compensation the supplier may establish that it is not responsible for the breach of contract.

§ 5

Transfer of Risk - Documentation

- (1) Unless otherwise agreed in writing the supplier shall deliver free to door (incoming goods).
- (2) The supplier shall provide our order number on all shipment papers and delivery notes. We shall not be responsible for any delays in processing, if the supplier fails to provide the order number.

§ 6

Inspection – Liability for Defects

- (1) We shall inspect the goods within a reasonable period for any apparent variations in quality and quantity. Any complaint shall be within time insofar as such is received by the supplier within a period of 8 work days calculated from the date of the receipt of goods, or in case of concealed defects, from the date of discovery.
- (2) We shall be entitled to exercise our full statutory rights in relation to defects without limitation. In any case we shall be entitled to demand from the supplier either rectification of the defect or delivery of new goods at our choice. Any right to compensation, in particular to compensation instead of performance, is expressly reserved.
- (3) We may undertake any rectification of defects at the expense of the supplier in the event of immediate danger or for other reason of urgency.
- (4) The period of limitation in such cases shall be 24 months calculated from the time of the transfer of risk.

§ 7

Product Liability – Indemnity – Third Party Liability Insurance

- (1) Insofar as the supplier is responsible for any damage to a product, the supplier shall indemnify us at first demand to this extent in relation to any claims for damages by third parties for the reason that the cause is within the organisational and management control of the supplier and such shall be liable itself in relation to third parties.
- (2) In terms of its liability in cases of damage in terms of section (1), the supplier shall also be obliged to reimburse any expenses in accordance with §§ 683, 670 German Civil Code (BGB) as well as §§ 830, 840, 426 of the German Civil Code (BGB) resulting from or in connection with any recall action carried out by us. We shall inform the supplier insofar as such is possible and reasonable, as to the nature and scope of any recall action to be carried out and shall give the supplier the opportunity to respond. Any further legal rights shall be unaffected hereby.
- (3) The supplier shall maintain product liability insurance with a general coverage of at least € 3 million for each case of personal injury/damage to property. In the event that greater claims for damages are made on our part, such shall not be affected.

§ 8

Proprietary Rights

- (1) The supplier shall be responsible for ensuring that no third party rights are infringed in connection to its delivery.
- (2) In the event that any claims are made against us by third parties, the supplier shall indemnify us upon first written request against any such claims. We shall not be entitled to reach any agreements with third parties without the approval of the supplier and in particular we shall not enter into any settlement.
- (3) The indemnification by the supplier shall relate to all expenses necessarily incurred by us from or in connection with a claim by a third party.
- (4) The period of limitation shall be ten years from the time of the concluding of the contract.

§ 9

Retention of Title – Own Goods – Tools – Secrecy

- (1) Insofar as we supply parts to the supplier, we reserve title to such parts. Any processing or transformation by the supplier is undertaken for us. If our goods subject to reservation of title are processed together with other objects not belonging to us, we shall acquire a part ownership in any resulting goods in proportion to the value of our goods (purchase price plus turnover tax) to the other processed goods at the time of the processing.
- (2) In the event that any goods supplied by us are mixed with other goods not belonging to us, we shall obtain part-ownership of the new goods in proportion to the share of the goods provided by us (purchase price plus turnover tax) to the other mixed goods at the time of the mixing. In the event that such mixing takes place so that the goods of the supplier are to be regarded as the main component, it shall be agreed that the supplier shall transfer to us a proportionate share of the ownership. The supplier shall hold for us the sole or part-ownership.
- (3) We shall retain title to all tools. The supplier shall use such tools exclusively for the production of goods ordered by us. The supplier shall insure at its own cost any tools belonging to us at their new value against any damage resulting from fire, water or theft. At the same time the supplier hereby assigns to us in advance all rights to compensation resulting from such insurance and we hereby accept such assignment. The supplier shall undertake at its own cost and in good time all necessary maintenance and inspection work as well as all maintenance and servicing work on our tools. Any disruptions shall be notified to us at once. If the supplier culpably fails to notify us, any claims for compensation shall not be affected thereby.
- (4) The supplier shall keep strictly secret all depictions, drawings, calculations and other documentation and information received. Such may only be made available to third parties with our express permission. The duty of secrecy shall also apply after the operation of this agreement. It shall extinguish if and to the extent that any know-how concerning production contained in the depictions, drawings, calculations and other documentation made available becomes general knowledge.
- (5) Insofar as any rights of security in terms of section (1) and/or section (2) exceed the purchase price for any not yet paid goods subject to reservation of title by more than 10 %, we shall at the request of the supplier be obliged to release such security rights at our choice.

§ 10

Jurisdiction – Place of Performance

- (1) The place of jurisdiction shall be Zandt. We may, however, issue legal proceedings against the supplier at the court at the seat of the supplier. The material law of Germany shall apply to the exclusion of the Convention on the International Sale of Goods of the United Nations (CISG).
- (2) Insofar as nothing to the contrary is provided for in the order, the place of performance shall be our seat of business.