

Conditions of Purchase

1. Scope of Applicability

1.1 These purchase conditions are applicable to all business transactions (deliveries and services) with the supplier, even if they are not explicitly referred to. Any business conditions of the supplier contrary or deviating from the present conditions shall not be recognized unless their validity has been explicitly approved by us. Especially, the acceptance of deliveries or services or payment do not represent a consent.

1.2 Our purchase conditions are applicable only in relation to entrepreneurs as provided for by § 14 of the Civil Code.

2. Conclusion of Contract

2.1 It is only considered that we are bound to our order if the order has been confirmed in writing by the supplier at the latest within a period of two weeks.

2.2 In the event of excusable errors on our part at the occasion of the signing of the contract, e.g. because of transmission errors, misunderstandings, etc., a claim for compensation of damages against us shall be excluded pursuant to § 122 Civil Code.

3. Technical Changes / Changes in Production

3.1 We are entitled to change the specification after previous information of the supplier and request corresponding technical adjustment of the products by the supplier. If a change of the products caused by us should give rise to extra costs relating to the unit price or one-time costs, such costs are to be borne by us. If the change caused by us should give rise to lower costs, the unit price shall be proportionately reduced for our benefit.

3.2 A change in production, particularly changes in tools, use of new production procedures, or change of a production site,

or move of production site, are only allowed in relation to us if our previous consent has been granted.

4. Framework Order / Call-Forward Notices / Delivery Schedules

4.1 For framework- or standing orders the respective quantities and types to be supplied are announced by us by separate call-forward notices. These call-forward notices are binding unless the supplier contradicts them within one week from the receipt of the call-forward notice and if no different agreement has been made.

4.2 If the supplier should be unable to deliver upon the call-forward notice, he shall inform us immediately and propose a delivery schedule he is able to comply with.

5. Dates and Default in Delivery

5.1 Dates and periods agreed upon are binding and shall be exactly complied with. The receipt of the goods by us here and/or at the place of delivery agreed upon and/or stated by us is decisive.

5.2 As soon as the supplier realizes that delays in delivery might occur, the supplier shall immediately inform us of such fact. It will not affect the binding effect of the date of delivery agreed upon.

5.3 If the delivery is performed prior to the delivery date agreed upon, we are entitled to reject the goods. Also, partial deliveries may be rejected by us.

5.4 If the supplier should be in default of delivery we shall have the right to claim a contract penalty for each week of default which has started in the amount of 0,5%, however, not to exceed 5% of the order price. A contract penalty shall also be applicable if we did not reserve the right to such penalty at the

occasion of the acceptance of the service. Claiming of any further damage is not to be excluded by the contract penalty.

5.5 If we should be prevented from accepting the delivery due to circumstances which could not be avoided in spite of expectable care, the date of acceptance shall be postponed by the time of the prevention. If acceptance should not be possible for more than 6 months due to these circumstances, we shall be entitled to withdraw from the contract. In such case the supplier shall not hold a claim for compensation for damages.

6. Delivery, Transfer of Risks, Spare Parts

6.1 Place of performance for all deliveries and services of the supplier is the place of receipt determined by us.

6.2 We shall be informed by forwarding advice of the dispatch of each shipment.

6.3 The risk of an entire or partial loss, damage, or other deterioration of the goods shall be transferred upon us after acceptance at the place of delivery.

6.4 The delivery addresses are stated by us in the order.

6.5 The supplier undertakes to supply spare parts for 10 years after expiration of serial production of the products. For the following period a final purchase of spare parts shall be agreed upon.

7. Prices, Payment, Costs Savings

7.1 The prices agreed upon are fixed prices and include freight, packaging, and other supplementary costs free to the place of receipt stated by us. Price increases, regardless for whatever reason shall be – also for standing supply contracts – only be recognized by us if an explicit agreement has been made in relation thereto.

7.2 Invoices shall be issued without delay after dispatch of the goods, separate for each order and listing the order number; the turnover tax shall be listed separately in the invoice. Any invoices improperly issued are deemed as not issued.

7.3 Unless differently agreed upon payments shall be made within 14 days after receipt of the invoice with 3% discount or within 30 days with 2% discount or within 60 days net. The discount is deducted from the amount of the invoice including the turn-over tax. The time limit starts with the receipt of the invoice, or, if the goods arrive after the invoice, with the arrival of the goods, however, in no case prior to the date of delivery of the goods agreed upon.

7.4 Checks and drafts are considered as payment.

7.5 An assignment of the claims of the supplier against us shall only be permitted with our previous consent. A consent shall be considered as granted if the claims have been assigned within the framework of an extended reservation of ownership.

7.6 Cost savings arising from the cooperation between us and the supplier are divided by halves between the parties. If the share of one party should be significantly higher, the splitting shall be made in proportion to the parts contributed.

8. Incoming Control and Complaints

8.1 The supplier shall dispatch only goods which have been continuously inspected and judged as good and, accordingly, he waives our detailed incoming control. Amending § 377 of the Commercial Code we shall be obliged to inspect and complain in relation to the goods only as follows: after receipt of the goods we shall only inspect them with reference to their identity and any possible damages in transport. Subsequently, we shall inspect the goods exclusively within the framework of the ordinary course of business during their use in production. Any defects recognized in the process as well as apparent defects shall be complained of within a period of 10 work days. In this respect the supplier waives the objection of a belated complaint for defects.

8.2 Wrong- or different deliveries shall in no case be accepted. No special complaint shall be required in this respect.

9. Redhibitory or Legal Deficiencies

9.1 The supplier shall guarantee that the goods supplied and services rendered are in compliance with the statutory provisions and orders of authorities applicable to their use, and that they do not infringe on any industrial property rights and other rights or third parties. The deliveries and services shall at all times comply with the current state of technology, or the one to be expected in future, as well as with other statutory provisions, technical test rules, and accident prevention provisions. Especially, DIN standards and VDE-regulations as well as other standards and guidelines included in the state of technology must be complied with. The supplier shall be responsible for the quality of the products supplied including the necessary tests within the framework of the specifications agreed upon.

9.2 We shall be unrestrictedly entitled to take resort to the statutory rights in the event of redhibitory and legal deficiencies. We are entitled to the right of option between the types of subsequent performance (remedy of defects or replacement). The supplier shall pay all costs arising in connection with the purpose of remedy of defects or replacement. If the supplier should fail to comply in due time or only insufficiently with the request for remedy of defects or replacement, or if immediate remedy of defects should be urgently required, we may have the defects remedied at the expense of the supplier, or remedy them ourselves, or make covering purchases at the expense of the supplier.

9.3 Unless differently agreed upon, a limitation of 36 months from the transfer of risks shall apply to all claims for redhibitory or statutory deficiencies. It is extended by the period of remedy or replacement measures of the supplier from the date of receipt of our complaint until the supplier states the completion of the measures or refuses further remedy or replacement.

9.4 In the event that costs are incurred by us because of defects of the objects delivered, especially costs of transport, mileage, work, or material, or costs of an incoming inspection in excess of the ordinary extent or for separation measures, the supplier shall reimburse us for these costs.

9.5 We shall have the rights of recourse of an entrepreneur against the supplier even if there is no purchase of consumer goods.

9.6 If a redhibitory defect should turn up within 6 months from the transfer of risks, it is assumed that such defect had existed already at the date of the transfer of risks, unless such assumption is not reconcilable with the type of the fact or the defect.

9.7 In the event that we should - free of costs or only for a share of costs - remedy defects arising from a deficiency caused by the supplier after expiration of the warranty period in order to avoid damaging our image (good will), the supplier shall be obliged to assume at least 50% of the costs incurred by us. A different quota may be agreed upon for each individual case.

10. Product Liability and Quality Assurance

10.1 If we are held liable under the Product Liability Law or other provisions for a defect of the product, or if we suffer a damage in a different manner in connection with the delivery of a deficient product, especially by a necessary recall, upgrading, etc., the supplier shall hold us free and replace the damage if and to the extent that the damage has been caused by a deficiency in the product supplied by the supplier. In cases of liability with fault this shall only apply if the supplier is at fault. If the cause of the damage is within the responsibility of the supplier, he shall bear the burden of proof in this respect. In these cases the supplier shall bear all costs and expenses, including the costs of possible litigation. The supplier shall be obliged to underwrite adequate product liability insurance.

10.2 The supplier shall apply a quality assurance suited according to its type and extent and in compliance with the state of the art of technology and prepare documentation on all relevant data. In the event of being held liable under product liability the supplier shall be obliged to submit to us the relevant documentation and papers in order to enable us to furnish evidence of a defective product.

10.3 Subject to receiving reasonable prior notice, the supplier will grant us and our authorized agents (if applicable accompanied by agents of our customers) access to its premises and

to the relevant documents at any time during normal business hours for the purpose of carrying out audits (system, process and Product audits), and during any such visit the supplier will provide appropriately qualified employees to be of assistance.

11. Industrial Property Rights, Secrecy, Tools, and Means of Production

11.1 The supplier guarantees that the items supplied by him do not infringe upon any domestic or foreign industrial property rights and he guarantees that we are free and possess permission under copyright law to use these articles and deal with them domestically and abroad. In the event of being held liable by third parties for a violation of domestic or foreign industrial property rights relating to the goods supplied the supplier shall hold us free and harmless of all claims and reimburse us for the damages resulting therefrom.

11.2 Any tools, forms, samples, models, profiles, drawings, standard sheets, print layouts, gauges and other papers placed at the suppliers disposal remain our property and shall without our explicit consent neither be passed on to third parties nor be used by the supplier for his own purposes. They shall be safeguarded by the supplier against undue inspection or use and, unless anything different has been agreed upon, shall be returned in proper condition at the latest together with the delivery of the goods. The supplier shall not retain any copies. There is not right of reservation of ownership.

11.3 All technical data and other not obviously commercial or technical details with which the supplier becomes familiar because of his business relationship with us, shall be kept secret. They shall only be used in the course of execution of our orders and given access to such staff members only whose insertion is required for performance of the order.

11.4 If tools, drawings, or other means of production are prepared by the supplier on our request and for our expenses, it is agreed that these items shall become our property immediately after their production. In case of only partial sharing of the costs we shall acquire the ownership in proportion of our share of costs. The supplier shall have the revocable right to carefully keep these items for us without payment. We retain all copyrights and rights of usage to these items for our sole usage. The supplier shall not be entitled to use these items in extent of the order without our consent. The supplier shall be entitled and obliged to revocable storing and keeping of these items. The supplier shall mark the items in such a manner that our property shall also be documented towards third parties. The supplier shall not have a right of retention to these items.

12. Limitation of Liability

We shall be liable for intention and gross negligence. We shall only be liable for slight negligence if it is a case of violation of essential obligations of the contract which result from the nature of the contract or whose violation would endanger the

reaching of the purpose of the contract. Even in such case the compensation for damages shall be restricted to the foreseeable damages. Otherwise, in cases of slight negligence claims for damages of the supplier shall be excluded, regardless for whatever legal reason. The foregoing limitation of liability does not apply to injuries of life, limb, of health.

13. Place of Performance, Jurisdiction, Applicable Law

13.1 Place of performance for all obligations under this agreement, especially for delivery and payment, is the principal place of business of our company for both parties, and/or the place of performance stated by us.

13.2 Place of jurisdiction for all legal disputes arising from this agreement and its origins and effectiveness for merchants of both parties is the court of jurisdiction of our principal place of business. We have the option of commencing proceedings at the seat of business of the customer.

13.3 This agreement is subject to German law, UN-purchase law (CISG) shall not apply.

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