

Purchasing Conditions of Strähle+Hess GmbH

1. Area of application

- 1.1 Our orders of supplies and other services (collectively referred to in the following as "services") can only take place under these purchasing conditions. We do not accept conflicting or deviating conditions or terms of sale from the supplier, which are not regulated within these purchasing conditions, except in cases where we explicitly have agreed to do so in writing. This also applies, if we unconditionally accept the services whilst being aware of conditions that are conflicting with- or deviating from- or have not been regulated within our purchasing conditions.
- 1.2 In the context of current business relations, our purchasing conditions also apply to all future contracts with the supplier without us being under the obligation to separately point out their validity for each individual purchase.
- 1.3 These purchasing conditions apply only for business dealings with traders.

2. Terms of delivery – target date/time limits- delays - part deliveries

- 2.1 Provided that we did not make any deviating agreement, the supply must be sent DDP (Incoterms 2000) to the designated place of delivery that was stated in our order or, if there was no place of delivery stated, DDP Althengstett.
- 2.2 Agreed target dates and time limits are binding.
- 2.3 As soon as the supplier is aware, or is in a position to recognize, that he is unable to deliver the service completely or partially on time, he must immediately notify us in writing, stating the reasons and prospective duration of the delay. No response from us to the notification does not signify that a new target date has been acknowledged, nor does it affect our contractual and legal rights and entitlements.
- 2.4 In cases of delay, we are entitled to the statutory entitlements. In particular, we are entitled to request damages instead of the services, when the extension of an adequate time limit has proved to be fruitless and to withdraw from the contract.
- 2.5 We do not accept any kind of liability exclusions and/or limitations of liability from the supplier regarding instances of delayed delivery.
- 2.6 Part deliveries are only permitted if we have explicitly given prior written consent. The acceptance of part deliveries does not affect our contractual- and legal rights and entitlements.

3. Prices

- 3.1 All agreed prices are fixed prices and are not subject to subsequent changes, unless a deviating agreement is made.
- 3.2 If no deviating agreement is made, prices comprise free delivery, including the costs of dispatch, packaging and packaging disposal.
- 3.3 In exceptional cases, where it is agreed that we pay the cost of dispatch and/or packaging, the supplier must select the most favourable means of dispatch and packaging, except in instances where we specify a special way of dispatching/packaging.

4. Terms of payment

- 4.1 If no deviating agreement is made, we pay invoices either within 30 days and deduct 2 % discount or within 60 days without a deduction. In cases where the terms of payment of the supplier are more favourable for us, the supplier's terms apply.
- 4.2 Payment- and discount periods commence when we receive a correct and comprehensible invoice. These periods do not commence prior to receipt of the goods and/or acceptance of the service. In instances where documentations or similar are

part of the overall service, the payment- and discount periods do not commence unless these documents have been handed over to us as stipulated by the contract.

- 4.3 All payments are settled under reserve and do not signify acceptance or acknowledgment that the service was according to contract specifications.

5. Prohibitions for retaining and offsetting, surrender

- 5.1 In cases of unsatisfactory services, we are entitled to withhold our payments to an appropriate extent, unless good faith indicates otherwise.
- 5.2 The assignment of claims against us only comes into effect by our prior written agreement. § 354a of the German Commercial Code remains inviolate.
- 5.3 We do not accept a restriction to our legal offset options and the possibility of asserting rights on the retention of goods.

6. Dispatch - packaging – risk conveyance

- 6.1 The supplier is obliged to clearly indicate our order number and the contents of the consignment on all shipping documents and delivery notes.
- 6.2 If no deviating agreement is made, the supplier is obliged to adequately pack and dispatch. Selection of a suitable carrier is the responsibility of the supplier.
- 6.3 If no deviating agreement is made, the supplier must remove the packaging of the delivered goods from our company headquarters or from other destinations specified by us and must dispose of it at his own expense.
- 6.4 The danger of coincidental loss and coincidental deterioration of the supplied products is only our responsibility after correct delivery of the products to the agreed destination.

7. Reservation of proprietary rights

- 7.1 We only accept the reservation of proprietary rights of our suppliers in its simple form, i.e. reservation of the property of the supplier up to the payment of the purchase price for each of the supplies concerned. All other forms of reservation of proprietary rights, in particular so-called extended reservations of proprietary rights and company reservations of proprietary rights and other security interests, are excluded.
- 7.2 Based on the reservation of proprietary rights, the supplier is only in a position to reclaim the goods in cases where he has withdrawn from the contract.

8. Quality - quality standards - changes

- 8.1 All services must correspond to the latest state-of-the-art technology, to relevant regulations and laws and to the guidelines of public authorities and professional- or trade associations. In the context of fulfilling his obligations, the supplier must also observe and meet all the requirements for environmental protection, in particular “the list of materials with a declaration obligation” in accordance with VDA 232-101 or similar or subsequent regulations. In all other respects, delivery and service must comply with the degree of care that is customary in trade, in particular regarding the intended use or downstream processing of the products.
- 8.2 For services based on order-related documents such as drawings, plans or other specifications or documents exhibiting property characteristics, the specifications and property characteristics contained must be adhered to in every detail. The adherence must precede applicable industrial standards, which otherwise apply.
- 8.3 The supplier may only carry out changes regarding the fulfilment or quality of the service agreed upon or changes in relation to previous services, if we have examined a sample and provided the supplier with written clearance.
- 8.4 In cases of doubt, the supplier must enquire about the intended use or nature of the subsequent process.

9. Outgoing goods control – obligation to investigate and reject goods

- 9.1 The supplier must control 100% of the goods before despatch. The supplier is obliged to examine the goods before despatch, in particular regarding their conformity to the specifications set out in the order and must ensure that they are without defect. In cases where goods are shipped without adherence to the obligation to controlling goods before despatch, the supplier is not in a position to invoke that we have infringed our obligation to inspect incoming goods.
- 9.2 After receipt of deliveries, we only verify whether these correspond to the quantity and type ordered and that there has been no apparent damage incurred during transport. To that extent, the supplier forgoes possible further legal requirements - in particular according to § 377 German Commercial Code – regarding the control of incoming goods.
- 9.3 In cases where we determine deficiencies when taking any random sample, we are entitled to reject the entire delivery or, at our own choice, to subject the entire delivery to a quality control and to invoice the expenses arising from this inspection to the supplier.
- 9.4 The appeal period for deficiencies amounts to 10 working days. For obvious deficiencies, the appeal period starts at handover of the goods, for hidden defects it begins at deficiency detection.

10. Entitlements in cases of material defects

- 10.1 The restriction of our legal entitlements for instances of material defects is prohibited. For purchase- and work supply contracts, we are entitled, at our own choice, to either request removal of the deficiency or delivery of replacement goods free of defects within an appropriate time-period. In cases where the potential damage to ourselves threatens to be unusually high, or if the supplier is falling behind with the removal of the deficiency, we are entitled to eliminate deficiencies ourselves at the expense and risk of the supplier or to have them removed by a third party. In these instances, the supplier is obliged to reimburse us the necessary expenses incurred.
- 10.2 Entitlements due to material defects become time-barred within 36 months starting from the risk conveyance, unless there is a longer limitation of actions by law or we agreed upon a longer period of limitation.
- 10.3 We do not agree with restrictions to our legal claims for damages, regarding the scale of encumbrance, the extent of liability and the liable sum.

11. Quality assurance - data sheets – product certificates or proof of manufacture

- 11.1 The supplier must enforce a suitable and extensive state-of-the-art quality assurance based on the international standards QS 9000 and/or VDA 6.1 and/or TS 16949 or any successive or supplementary standards and must produce proof of this on our request.
- 11.2 The supplier is committed to setup and maintain a system to enable traceability and identification of product faults, enabling traceability and containment with respect to time- and quantity.
- 11.3 In cases where our customer requires the introduction, compilation and administration of material data sheets or of other product- or manufacturing proofs, the supplier is committed to also adhere to this requirement and to provide us with all information, data and documents required for the products supplied by him in order to satisfy the expectations of our customers.
- 11.4 Upon our request, the supplier is required to provide us with a prototype, sample, sample test report and/or data sheets.

12. Patent rights of third parties – warranty of title

- 12.1 The supplier must ensure that there are no infringements of patent rights or other copyrights of third parties (e.g. utility patents or design rights, registered trademarks and intellectual property rights) in connection with his service. In cases where a claim is filed against us due to such violation, the supplier is obliged to exempt us from these claims unless the supplier does not bear the responsibility of the infringement. All expenditures that arise against us from or in connection with the claim of a third party must be refunded to us.
- 12.2 In all other respects, the regulations contained in Section 10 of these purchasing conditions generally apply to the warranty of title.

13. Product liability

- 13.1 The supplier is obliged to exempt us from claims in the context of producer- and product liability in cases where the fault that initiated the liability has been caused by a product supplied by the supplier and where the supplier is unable to give proof that a fault is not inherent from his manufacturing process or his organization. The claim also includes the costs of any recall action.
- 13.2 The supplier also has a duty to advise us on risks associated with his product if it is used for other purposes than the one intended.
- 13.3 To cover the aforementioned risks, the supplier is obliged to take out liability insurance for an appropriate amount and to provide proof of its existence upon our request. Any possible additional entitlements owed to us remain unaffected.

14. Limitation of liability

No matter on what legal grounds, the supplier is without restrictions liable according to both the law and these purchasing conditions. We explicitly object to any restriction of our legal- and contractual claims for damages (in particular as a result of delay, deficiency and product liability) regarding the amount of debt, extent- and limit of liability.

15. Force majeure

- 15.1 We are released from the obligation to accept the service in situations where the service is no longer usable due to economic criteria caused by instances of force majeure, i.e. unexpected events that are beyond our influence and for which we are not responsible, e.g. operational disruptions, strikes, lockouts and changes in law. In this instance, we are entitled to withdraw from the contract. In instances where the right to withdraw from the contract is applied, we are responsible for the proven expenditure incurred by the supplier in connection with the fulfilment of the contract in situations where it cannot be put to another use.
- 15.2 Unforeseeable and unavoidable manufacturing changes of our customers are also cases of force majeure in accordance with Section 15.1.

16. Tools

- 16.1 Tools, manufacturing equipment, prototypes, templates, patterns or other samples (referred to in the following as "tools") that we put at the disposal of the supplier to enable the fulfilment of an order, remain our property and are provided to the supplier on a loan basis only. The supplier must identify these tools as being our property and maintain them in good working order at his expense; in particular, he must maintain and service them appropriately and in a professional way. After fulfilment of his contractual obligations, the supplier must immediately return the tools in proper working order without being prompted.
- 16.2 These regulations apply accordingly to tools that the supplier manufactures himself or has had manufactured by a third party for producing the products intended for us and whose manufacturing costs were born by us.

16.3 The supplier may only use the tools as described in the application area of Sections 16.1 and 16.2 in connection with the manufacturing of goods destined for us. The supplier is committed not to handover these tools without our previous written agreement to third parties, neither for inspection- nor for other purposes. In addition, the supplier is committed not to handover to third parties goods that were manufactured using these tools without our previous written consent, either in raw-state, or as a semi-finished- or finished product. The same applies to products that the supplier developed according to our instruction or through our substantial co-operation (through trials etc.)

17. Provision of materials and products - documents

17.1 Materials or products made available by us remain our property. They may only be utilized for the intended use. Combining, processing or mixing of the materials or products provided by us only takes place for us as a manufacturer; this, however, does not entail any obligation for us. In cases where the (co)-ownership expires due to combining, processing or mixing, then it is already agreed herewith that the (co)-ownership on the new goods is proportionally passed over to us according to the value-ratio of our provision to the overall product. The supplier stores the products that are subject to (co)-ownership free of charge.

17.2 All documents, plans, illustrations, calculations, drafts, manufacturing specifications, samples, designs etc. (overall referred to in the following as "documents") that we put at the disposal of the supplier to enable him to submit a tender or fulfil a contract remain our property. The supplier may only use the documents in the context of fulfilling the contract. Documents, including possible copies, must be returned to us free of charge without being prompted as soon as they are no longer required for the elaboration of the tender and conversion of the contract. The supplier is committed not to hand over the documents to a third party without our previous written agreement; moreover, he will not divulge the contents of the documents to third parties.

18. Place of delivery – Court of Jurisdiction – applicable law

18.1 The place of delivery for all services is Althengstett.

18.2 The Court of Jurisdiction is Stuttgart. We are, however, entitled if we choose to do so, to also prosecute the supplier at his own Court of Jurisdiction designated by law.

18.3 The substantive German law is applicable to the exclusion of the provisions of conflict of laws and the UN Convention of Contracts for the International Sale of Goods (CISG).