

General Conditions of Purchase

1. DECISIVE CONDITIONS

1.1 All deliveries, services and offers of our Suppliers as well as our offers, orders and delivery call-offs shall exclusively be effected on the basis of these General Conditions of Purchase. They form a part of all contracts we conclude with our Suppliers on the deliveries or services offered by them. Any deviations therefrom require our written confirmation. Our General Conditions of Purchase shall also apply for all future deliveries, services or offers to the Supplier, even if they have not been agreed once again separately.

1.2 General terms and conditions of our Suppliers or third parties shall not apply, even if we do not specifically object to their validity in the individual case. Even if we refer to a letter containing general terms and conditions of the Supplier or third parties or which refers to such general terms and conditions, this shall not represent any consent to the application of those general terms and conditions.

1.3 Oral agreements which have not been confirmed by us in writing (in the sense of Clause 3.1), shall be ineffective.

1.4 Our General Conditions of Purchase shall apply exclusively for businessmen, legal persons under public law and public law special funds.

2. PRICES

The prices agreed are deemed fixed prices – plus applicable VAT – DDP according to Incoterms 2010. The type of pricing shall not affect the agreement on the place of delivery.

2.1 We reserve the right to acknowledge excess or short deliveries.

3. ORDERS

3.1 Orders and contracts for delivery as well as delivery call-offs and amendments or supplements thereto require written form to become legally effective. They may also be effected by means of remote data transmission or machine-readable data carriers.

3.2 We consider our orders and delivery call-offs as confirmed if they are not objected to in writing within 36 hours from receipt of order and if we have specifically made the supplier aware of the meaning of its behaviour upon receipt of order.

3.3 We may require changes to the object of delivery in terms of construction and design if doing so is reasonable for the Supplier. In this case, the consequences, in particular with regard to additional or lower costs or to delivery dates, must be reasonably and mutually agreed.

4. DELIVERY TIME

4.1 Any dates and periods agreed shall be binding. The receipt of goods with us or at the place of delivery agreed shall be decisive. Any deviations therefrom require our written confirmation.

4.2 We must be immediately notified of any foreseeable or known delay and in particular of any impossibility of delivery along with the new, binding date of delivery, if possible. The Supplier's liability for delay shall remain unaffected thereof. The Supplier shall be obliged to compensate us for the damage due to delay in performance.

4.3 Force majeure, industrial disputes, riots, official and legal measures or other unforeseeable, inevitable and grave events shall release the contractual parties, for the duration of the disturbance and to the extent of their effect, from their respective obligations to perform. This shall also apply if these events occur at a point of time at which the party concerned is in default. The contractual parties are obliged to immediately exchange all necessary information and to make all reasonable efforts in good faith to adapt their contractual relationship to the changed situation.

4.4 In the event that the Supplier detects any circumstance which results or could result in an excusable delay, it shall immediately notify us of this fact and make all reasonable

efforts to mitigate the damage. Furthermore, the Supplier shall, upon our request and at any time, provide us with all information about possible delays and, if applicable, about insurance and emergency plans. The Supplier shall inform us promptly about all labour disputes which might delay punctual delivery.

4.5 To the extent that guaranteed delivery dates and/or delivery times are not met, we shall be entitled to withdraw from the order immediately in the case of a transaction for delivery by a fixed date and otherwise after expiration of a reasonable period of time without a result. Any possible damage or other additional costs will be charged to the Supplier.

5. DELIVERY, TRANSFER OF RISK

5.1 Even if shipment has been agreed, the risk shall only be transferred to us when the goods are handed over to us at the agreed destination (Clause 17.2), unless other agreements have been made in writing.

5.2 Deliveries shall be made DDP according to Incoterms 2010.

5.3 Unless agreed otherwise, deliveries must be properly packed by the Supplier as customary in the trade. The Supplier shall be liable for any damage resulting from inadequate packaging.

5.4 Whenever possible, reusable packaging shall be used. Furthermore, materials shall be used which are not dangerous to the environment and which are recyclable. Packaging must comply with the requirements of the respective regulation on packaging and other relevant legal provisions. Any deviations therefrom must be justified. Safety during transport and protection against damages shall not be impaired.

5.5 Every shipment must be accompanied by a packing slip indicating the order number, the precise designation of the product and, if applicable and desired, our respective internal material number. Moreover, in the case of deliveries to our automotive manufacture department, one VDA [German Association of the Automotive Industry] label must be present according to the respectively applicable VDA guidelines for each packing piece. If applicable, each shipment must be accompanied by a test certificate according to EN 10204-3.1. Unless agreed otherwise, the quantity ordered shall always be delivered in full. We reserve the right to demand missing quantities in addition and to return excess deliveries at the Supplier's risk and expense.

5.6 The number of items and the weights determined by us upon receipt of goods shall be decisive.

5.7 For each delivery, apart from the invoice a detailed dispatch note indicating the date, order number and net and gross weight must be prepared and sent on the day of dispatch.

5.8 Upon our request the Supplier shall take out adequate insurance concerning a delivery.

5.9 On principle, absolute adherence to delivery dates (100% delivery reliability) is required from the Supplier (cf. Clause 4.1). The Supplier must use a system to monitor deliveries and implement suitable corrective measures to achieve this goal.

6. NOTIFICATION OF DEFECTS

Defects to a delivery must be notified by us in writing to the Supplier as soon as they are detected within the scope of ordinary business within a reasonable period of time; the notification is deemed on time if it is received by the Supplier within a period of five working days from the detection of the defect.

7. PAYMENT

7.1 Unless agreed otherwise, payments shall be made within 90 days net or within 14 days with a deduction of 3% of cash discount. In the case of acceptance of early deliveries, the

- due date shall be determined on the basis of the delivery date agreed.
- 7.2 Payments made by us shall not be deemed as an acknowledgement of the account.
8. **QUALITY**
- 8.1 For all deliveries the Supplier shall comply with the generally accepted engineering rules, safety regulations, technical data agreed and, if known, the rules according to ISO/TS 16949.
- 8.2 Changes to the object of delivery, in particular to the composition of the processed material or to the construction design in comparison to former, similar deliveries and services, must be notified by us before manufacture begins. Such changes shall require our written consent. We are not obliged to inspect deliveries or services, upon or after receipt, for conformity with former deliveries or services.
- 8.3 The delivery shall comply with the specifications agreed. The Supplier shall constantly align its products to be delivered with state-of-the-art technology and make us aware of possibilities for improvement and technical amendments.
- 8.4 The Supplier shall establish and maintain a state-of-the-art and documented quality assurance system adequate in terms of type and extent. The Supplier shall keep records, in particular about its quality checks, and make them available to us upon our request.
- 8.5 The Supplier hereby agrees to quality audits to evaluate the effectiveness of its quality assurance system by us or by a person commissioned by us, with the participation of our customer, if applicable. In doing so, the Supplier's interests shall be taken into account sufficiently.
9. **ACCESSORY OBLIGATIONS**
- Any samples, drawings, models, gauges, formulations and the like shall be kept strictly confidential. They shall be made available or delivered to third parties with our consent only. After completion of delivery, they shall be returned to us without request to do so. We expressly reserve any ownership and copyrights. Products manufactured according to our specifications, drawings, and models shall not be delivered to third parties without our consent. Equally, the production facilities procured for this purpose shall not be abandoned to third parties.
10. **MATERIAL DEFECTS**
- 10.1 The Supplier shall be liable according to the following provisions that the goods delivered by it are free from defects.
- 10.2 In the case of delivery of defective goods, prior to the beginning of manufacture (processing or installation) the Supplier shall be given the opportunity for sorting out as well as for remedy of the defects or delivery of substitute goods within a reasonable period of time unless doing so is unreasonable for us. If the Supplier is not able to do so or if the Supplier fails to do so within a reasonable period of time granted by us, we are entitled to rescind the contract without granting any further period of time or to return the goods at the Supplier's risk. In cases of urgency we may, upon agreement with the Supplier, remedy the defects ourselves or have them remedied by a third party at Supplier's expense.
- 10.3 If the goods are repeatedly delivered in a faulty condition, we shall be entitled, after expiration of a reasonable period of time without a result and upon careful consideration of the interests of both parties, to rescind the contract; this shall also apply for deliveries not yet effected.
- 10.4 If the defect, despite compliance with the obligation to notify defects according to Clause 6.2, is detected only after the beginning of manufacture, we are entitled to require compensation for any further damages resulting.
- 10.5 The Supplier shall, upon its request and at its own expense, immediately be provided with those components for which claims due to material defects are asserted.
- 10.6 The warranty period shall be 36 months commencing with the transfer of risk. After remedy of any possible defect, another period of 36 months shall begin unless the Supplier was not obliged to do so and delivery of substitute goods or remedy of defects were effected for the sake of good will or the like. This suspension of expiration of prescription shall end after 10 years from delivery to us at the latest.
11. **WARRANTY CLAIMS**
- In the case of defects we shall be entitled to all statutory rights and claims.
12. **PRODUCT LIABILITY AND RECALL**
- 12.1 In the event that we are held responsible as a result of product liability, the Supplier shall indemnify us against such liability if and to the extent the damage has been caused by a defect of the object of contract delivered by the Supplier.
- 12.2 In this case, the Supplier shall assume all costs and expenses, including the cost for bringing an action or for a possible recall. For the rest, the legal regulations shall apply. If possible and reasonable, we will inform the Supplier about content and extent of any recall measures to be carried out, if applicable, and provide it with an opportunity to present its comments.
13. **PERFORMANCE OF WORK**
- The Supplier shall make sure that anybody who performs operations on our premises within the scope of a contract adheres to the provisions of the respectively valid working regulations.
14. **SUPPLIES**
- We reserve our title to substances, components, containers and special packaging supplied by us. These shall only be used according to their designated purpose. Processing of substances and assembly of components shall be carried out on our behalf. It is agreed that, in proportion of the value of supplies to the value of the product as a whole, we shall acquire co-ownership of the products manufactured using our substances and components, which insofar are kept in custody for us by the Supplier.
15. **ASSIGNMENT OF CLAIMS**
- An assignment of any claims of the Supplier towards us to third parties shall be excluded.
16. **GENERAL PROVISIONS**
- 16.1 The Supplier undertakes to render its services while constantly observing relevant environmental protection legislation and standards and according to the state of the art. Furthermore, the Supplier shall pay attention to provide its services in an environmental-friendly way according to the *KrWG* [German Closed Substance Cycle Waste Management Act]. This shall include the choice of environmentally compatible and recyclable raw materials, low-emission and low-pollutant constructions which are easy to disassemble and dismantle and solutions which save energy and resources.

16.2 Upon our request the Supplier is obliged to accept and properly and harmlessly dispose of any products and packaging or parts thereof returned by us at any time. If the Supplier takes care of the disposal of products, components and raw materials for us, it shall ensure proper and harmless disposal according to *KrWG* including any applicable implementing regulations and provide us, upon request, with adequate proof thereof. The Supplier may either render the disposal service itself or have it rendered by a qualified sub-supplier. Commission of a sub-supplier will require our consent. In this case, disposal shall be effected according to *KrWG* by an authorised waste management company and corresponding evidence must be provided to us upon request. The disposal costs shall be borne by the Supplier.

16.3 Substances and formulations prohibited pursuant to *ChemVerbotsV* [German Prohibited Chemicals Regulation] shall not be used. Application of the substances indicated in the *ChemVerbotsV* in individual applications and concentrations allowed by way of exemption should be avoided. Any deviations thereof must be justified and will be approved only if the individual substances cannot be substituted by a harmless substitute material. The Supplier shall provide us with convincing evidence thereof.

16.4 Substances and formulations which are prohibited or require declaration pursuant to the *VDA* list for substances subject to declaration (*VDA* 232-101) shall be listed and designated accordingly.

16.5 On principle, the product shall not generate any harmful or environmentally hazardous emissions or require corresponding auxiliary materials or operating supplies. Any derogation from this requirement shall be justified.

16.6 The Supplier shall inform us on an individual basis about which dangerous chemicals are used for the products and whether we need to take precautions to protect humans and the environment. The use of such substances shall require our written consent.

16.7 Product documentation must be accompanied by a disposal concept for the individual product. Information must be provided about those materials which are subject to landfilling.

16.8 Prior to each first delivery a safety data sheet must be provided. Updates must be sent by the Supplier without request to do so. The date of issue of these safety data sheets shall not be older than three years.

16.9 The Supplier undertakes, insofar as economically and technically feasible, to use environmentally compatible products and procedures for its deliveries and services and also for supplies or ancillary performance of third parties. The Supplier shall require its sub-suppliers to fulfil the obligations taken over under these Conditions of Purchase in conjunction with the individual contract.

16.10 Insofar as the deliveries are deliveries for the automotive manufacture business and unless they are governed by these Conditions, the *VDA* regulations in their respective valid version shall apply.

17. **PLACE OF PERFORMANCE AND PLACE OF JURISDICTION**

17.1 The laws of the Federal Republic of Germany shall apply exclusively. Application of the United Nations Convention on Contracts for the International Sale of Goods (*CISG*) shall be excluded.

17.2 Place of performance shall be our place of business unless another place of delivery is agreed, which shall then be the place of performance for all claims in connection with this delivery.

17.3 Sole place of jurisdiction shall be the court which is locally competent for our place of business as well as in terms of the subject matter. We shall also be entitled to institute legal proceedings before the court competent for the Supplier's headquarters.

17.4 If any of the provisions adopted in these General Conditions of Purchase or in any other agreement made should be or become ineffective, the validity of these General Conditions of Purchase or of the contract for which these General Conditions of Purchase form the basis shall not be affected thereby. The contractual parties shall be obliged to replace the ineffective provision by a regulation which comes as close as possible in economic terms. The same shall apply to loopholes contained in these General Conditions of Purchase or in the respective contract stipulated.

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