

General Terms and Conditions of Purchase for Otto Kuhlmann Automotive System-Parts GmbH (Status as at 13.10.2011)

§ 1 Sphere of validity

- (1) These General Terms and Conditions of Purchase apply for all orders - including those placed in the future – and handling thereof.
- (2) The Seller's terms and conditions of business shall only be binding on us if, and in so far as, we recognise them in writing for the respective order entered into. If special terms and conditions differing from these terms and conditions are agreed for a specific order, these General Terms and Conditions of Purchase shall consequently apply as a subordinate supplement.
- (3) The preparation of offers shall be free of charge for us and shall be non-binding.

§ 2 Prices

The agreed prices shall be understood as free place of reception stated by us including freight, packing and ancillary costs. If we have to pay for delivery, we shall only bear the cheapest freight rates, unless we have agreed a specific method of dispatch.

§ 3 Payment and Offsetting

The following terms and conditions of payment shall apply in the absence of agreements otherwise, or better arrangements in the Sellers' terms and conditions of delivery or invoices: invoices shall be settled in full within 14 days to qualify for a prompt payment discount of 3% or within 30 days. The periods of time allowed for payment shall commence upon receipt of invoice, but not prior to the receipt of the goods or acceptance test for services and, in so far as documentation or similar paperwork constitutes part of the delivery schedule, not before they have been handed over in accordance with the contract.

§ 4 Delivery periods

Agreed delivery dates and periods shall be binding. We are to be notified without undue delay in the event that a delay in delivery appears to be imminent.

§ 5 Reservation of title

With regard to the Seller's reservation of title rights, the provisions of such shall apply subject to the proviso that the title to the purchased item shall pass over to us upon payment for this item and consequently the reservation of title cannot be expanded in scope or extended in time.

§ 6 Carrying out deliveries, Part-deliveries.

If consignments are delivered **franco domicile / free**, the Seller shall bear the risks of transportation right up to the place of reception. Part-consignments shall be subject to our consent. Excess or under deliveries shall only be allowed within normal commercial limits.

§ 7 Declarations concerning origin of goods

In the event that the Seller hands over declarations concerning the origin of goods sold to us, the following shall apply: the Seller shall undertake to take steps to enable the customs authorities to review this proof of origin and not only to pass over the necessary information, but also to furnish any confirmations which may be necessary. The Seller shall be obliged to make good losses incurred as a result of the declaration of origin not being accepted by the responsible authorities as a result of faulty certification or lack of opportunity for verification. This liability shall however only apply if the Seller's conduct is culpable or if the goods lack the warranted qualities.

§ 8 Warranty

(1) The Seller has to vouch to us that his goods and services comply with the recognised standards of good practice and the features and standards agreed in the contract, as well as the security, safety at work, accident prevention and other regulations. Furthermore his goods and services must have the warranted qualities and must be free of defects impairing the value or the fitness for use of the products for their normal or contractually envisaged purpose by more than insignificant amounts. The goods shall be checked by us in terms of quality and quantity upon receipt as far as this is possible and reasonable for us. We shall be allowed a period of 14 days from the receipt of the goods to report manifest defects as well as a manifest lack of warranted qualities and - for direct-to-purchaser sale - defects must be notified within 14 days from the receipt of the goods by our buyer.

(2) Defects and a lack of warranted qualities which are not manifest may be reported within 14 days of discovery by us or by our buyer.

(3) If goods are defective or if they lack their warranted qualities, we shall, in addition to our statutory rights, also be entitled as we choose to the right to remedy the defect or to supply a replacement as well as to reimburse the expenditure required hereto. If the Seller, having been called upon to do so, does not rectify the defect or supply a replacement within a reasonable subsequent period of time, or only does so inadequately, we may rectify the defect or have them rectified by third parties at his expense or make covering purchases. If warranted qualities are lacking or if the Seller is responsible for supplying poor quality goods or incorrect goods, we shall be entitled to demand compensation for damages on account of non-fulfilment instead of the above claims, whereby our compensation claim for damages shall only include appropriate consequential costs.

(4) The Seller shall furnish us with a 36-month warranty covering all items supplied unless an agreement is made otherwise. The same shall apply for subsequent deliveries as part of the Seller's warranty. The statutory warranty periods shall apply as a minimum.

(5) The Seller assigns to us here and now – on account of performance – all claims to which he is entitled against his suppliers from, and in connection with, the supply of defective goods or such goods lacking the warranted qualities. He shall hand over to us all the documents required to assert such claims.

§ 9 Tools, Models, Drawings and other Documents

(1) Tools, models, drawings and other documents furnished by us or made for us may only be used to carry out our orders. Third parties must not be allowed access to them without our consent and they are to be kept in proper safe-keeping until revocation up to a maximum of two years from the last occasion of use and then handed over to us.

(2) The manufacture, treatment and processing of such tools, models, drawings and other documents produced by the Seller on our behalf shall be produced for us as manufacture with the result that we shall acquire title to them.

§ 10 Place of fulfilment, Place of jurisdiction and Applicable law

The place of fulfilment for delivery shall, unless agreed otherwise, be our works. As far as allowed in accordance with Section 38 of the German Code of Civil Procedure, the place of jurisdiction shall be where our main premises are located. We may also take legal action against the Seller at his place of jurisdiction as well as at the place of jurisdiction of our branch office, as entered in the commercial register, with which the contract was entered into. The law of the Federal Republic of Germany shall apply as a supplement to these terms and conditions for all legal relationships between ourselves and the Seller.