

Purchasing Conditions 2015

1. Terms and conditions for purchasing contracts

The following provisions shall exclusively apply to all our orders. We shall in no case be bound by the terms and conditions of our suppliers, even if we do not explicitly object to them or if we accept and/or pay services or goods.

In addition, the current version **Quality Management Policy for Suppliers** of the IDEAL Automotive Group as amended shall apply. The policy will be made available upon request.

2. Retention of title by the supplier

In derogation of Section 1, we shall accept a simple, extended and expanded retention of title according to industrial standards contained in a supplier's General Terms and Conditions for such consignments that have been covered by a trade credit insurance by the relevant supplier.

3. Purchase order

Our purchase orders and their modifications are valid only if transmitted or confirmed by us in writing. We shall have the right to modify unfulfilled or incompletely fulfilled purchase orders to the extent that can be reasonably expected from a supplier.

If the supplier's offer or order confirmation deviates from the specifications of our inquiry or order, such deviation must be explicitly indicated in writing. Any violation of this provision shall entitle us to cancel the contract.

If a purchase order has been placed within a framework contract with individual delivery call-offs, such delivery call-offs can also be transmitted by fax or electronic data transmission. In this case, the delivery call-offs do not require a signature and/or digital signature to be valid. The supplier has to notify us immediately if it is unable or unwilling to fulfil the delivery call-off in whole or in part.

4. Prices and payment

All agreed prices are fixed prices. They shall be invoiced net plus VAT as determined by law. In case of a general price reduction of its company, the supplier undertakes to also reduce the agreed prices accordingly.

Unless otherwise agreed, shipment and packaging costs are included in the prices.

The respective invoice amount shall be payable on expiration of 30 days after receipt of services and invoice. Payments are made subject to invoice verification. Unless otherwise agreed, we shall be entitled to deduct 3% discount within a period of 30 days after the due date.

Default interest shall become due at maximally 5 percentage points above the applicable basic interest rate.

5. Delivery

All agreed delivery dates are binding. In case of non-compliance with agreed delivery dates, the supplier shall enter default without reminder, unless such defaulted or failed delivery is due to circumstances that the supplier is not responsible for. If the supplier exceeds the agreed date of delivery, we shall also be entitled to cancel the contract after applying a reasonable grace period if the delay has been caused by circumstances the supplier is not responsible for. Such a grace period, however, shall not apply to special circumstances that would justify immediate cancellation in consideration of both parties' interests, in particular if, due to the delay of the agreed delivery date, the fulfilment of contract is no longer in our best interest.

This regulation applies without prejudice to our right to assert further claims according to legal provisions.

Unforeseen events such as force majeure, labour disputes or other disruptions in our or in the suppliers' facilities shall release us from our purchasing commitments or payment obligations during the disruption period.

On the day of the shipment, the supplier undertakes to advise each consignment to us and the specified recipient. A delivery note in duplicate must be attached to each consignment. The delivery note and the invoice must state the supplier ID number, our purchase order number and our parts number. Invoices must be sent in duplicate either to us or the specified recipient. If the invoice is charged to a recipient specified by us, the supplier must send us a duplicate of the invoice.

6. Warranty

The supplier warrants that its consignment(s) or service(s) have the agreed quality, comply with state-of-the-art technology principles as well as applicable specifications and standards, are suitable for their standard or contract-defined applications, and have a quality that is standard for such goods/services and which the buyer can normally expect from these goods/services. Technical sheets, specifications, product descriptions or processing and/or assembly instructions issued or published by the supplier – or the manufacturer, if it is not the supplier – shall be considered as agreed quality even if not explicitly quoted in the contract.

The supplier agrees to carry out the order in ways that adhere to the laws on technical equipment, accident prevention and other labour protection regulations, as well as all other generally acknowledged regulations relating to safety and occupational medicine and healthcare of the Federal Republic of Germany. The supplier must at all times comply with the general legal regulations of the country of origin and country of destination. In case of failure to comply with these requirements, the consignment or service shall be considered as inadequately delivered.

The supplier shall grant its warranty on the basis of the legal regulations that we may enjoy without any restrictions. The warranty period shall be five years after the goods have been received by us or arrived at the place of destination specified by us.

We will check the incoming consignments only for article numbers, quantities, visible transport damage and obvious defects that can be detected with the customary attention. Samples will not be retained. We will notify the supplier immediately after detecting a defect, at the latest within one calendar week. Sections 377, 381(2) German Commercial Code (HGB) are excluded.

Our payments shall never constitute the recognition that any consignment was defect-free.

Even in cases where legal requirements are not given, we shall be entitled to remedy defects at the supplier's expense or to procure for us a replacement at the supplier's expense if so required to avoid or mitigate damages in urgent cases.

Our approval to drawings and calculations of the supplier shall not affect its obligations under this warranty.

In case of product liability claims against us, according to national or international law, the supplier shall have to indemnify us against any damage incurred if these claims have been caused by a defective consignment by the supplier.

7. Industrial property rights

The supplier assumes full liability that the goods it has supplied do not violate any international or national third-party industrial property rights. In particular, it shall provide compensation for any damage that we or our customers incur due to the violation of such property rights.

8. Technical delivery instructions

Our technical delivery instructions, as amended, shall apply.

9. REACH

We are a downstream user of chemicals according to the EU Directive 1907/2006 (REACH). If and to the extent that the supplier supplies substances that fall under the application range of REACH-VO, it shall be under obligation to register the substances supplied to us according to the regulations of REACH-VO; we, in turn, shall be required to provide the necessary information.

In addition, the supplier shall be under obligation to comply with its notification obligations according to Section 33 REACH-VO for substances of the candidate lists with a concentration of more than 0.1 mass %. This applies to products as well as packaging.

10. Energy management system

With our energy management system we undertake to continually improve our energy performance. Therefore, we herewith inform the supplier that the assessment of our procurement is based, among other things, also on the energy-related performance of the supplier's products.

11. Supplier's declaration according to the EC Directive 3351/83, Certificate of Origin

The supplier declares that the goods delivered by its enterprise have been manufactured in the EC and comply with the regulations in context with the term 'Certificate of origin' which apply to the goods traffic at preferential conditions. The supplier shall be under obligation to attach to each consignment a formally correct supplier's declaration according to EC Regulation No. 3351/83, and – if required – also a certificate of origin.

The supplier agrees to clearly mark all goods that are no 'originating products' with the note 'No Originating Product' in all delivery notes.

12. Offsetting, retention

The supplier shall be entitled to assert any legal claim for set-off or retention only in case of undisputed or judicially determined claims.

13. Secrecy

The supplier shall be under obligation to treat our purchase orders and any related information with strict confidentiality and to bind its own sub-suppliers accordingly.

14. Place of performance and jurisdiction

Place of performance of the delivery obligation shall be the place of destination specified by us. For all other obligations the place of performance shall be Bamberg for both parties.

The place of venue is Bamberg. However, we reserve the right to file a lawsuit at the official seat of the supplier.

Should we be sued for damages before a foreign court based on a claim according to which personal injury and/or property damage was caused by a product defect, we shall be entitled to file in turn a lawsuit against the supplier due to this matter on which the legal action is based before this foreign court upon our discretion. In this case, the law of the place of jurisdiction shall solely apply with regard to the rights and obligations of our enterprise and the supplier.

Otherwise, the relationships arising from this contract shall be governed by German law.