

CONDITIONS OF PURCHASE

- Edition January 2009 -

1. General

The following conditions of purchase are the sole conditions applicable to orders and purchase agreements made by us now and in the future. Alterations and additions as well as conditions of sale of the supplier which differ from these conditions of purchase are valid only if written confirmation of their acceptance as an addition to our conditions of purchase has been issued by us. The acceptance of deliveries or supplies or payment for the same shall not imply agreement to the conditions of sale of the supplier. If the supplier does not agree with these conditions of purchase, he must inform us of such in writing without delay. In this case, we shall be entitled to cancel the order without any obligation on our part to effect payment.

2. Ordering

- 2.1 Details of orders, purchase agreements and requests for delivery as well as alterations or additions to them must be given in writing. Requests for delivery may also be made via electronic data transmission. Pre-existing or contemporaneous oral agreements require written confirmation from us in order to be valid.
- 2.2 Orders must be confirmed in writing without delay. If the supplier does not accept the order within two weeks of receipt, we have the right to cancel. Our requests for delivery become binding if not refused by the supplier within five working days of receipt.
- 2.3 The Automotive Lighting Quality Assurance Guide for Suppliers is incorporated herein by reference.

3. Delivery

- 3.1 Alterations to purchase agreements and orders made by us are only permissible with our prior written agreement. Agreed quantities, dates, and deadlines are binding. The definitive date with regard to the adherence to agreed delivery dates and deadlines is the date of receipt by us. If the agreement is not for delivery free AL plants, the supplier must take account of the normal time required for loading and shipment.

- 3.2 If agreed dates are not adhered to due to circumstances for which the supplier is responsible, we have the option, without affecting our remaining legal rights, upon reasonable notice, to withdraw from the contract, to obtain replacement goods from a third party and/or to claim damages for breach of contract. We are entitled to claim reimbursement of all additional costs arising from the failure to comply with agreed dates or deadlines for the supply of goods or services for which the supplier is responsible. Instead of claiming payment for all additional costs, we are entitled to demand damages in the form of a lump sum amounting to 1% of the delivery value for each week that starts before the goods or services are supplied. This sum will not, however, exceed 10% of the delivery value. The supplier has the right to prove that we have suffered a much lower loss or no loss at all. The acceptance of overdue goods or services does not imply renunciation of claims to damages.
- 3.3 If the supplier foresees difficulties with manufacture or the supply of raw materials or if circumstances beyond his control occur which are likely to prevent him supplying the goods within the agreed time limits and with the agreed quality the supplier shall notify the ordering department immediately.
- 3.4 Unless proven otherwise, the quantities, weights and dimensions ascertained by us in the course of inspection of goods upon receipt shall be considered definitive for the purposes of this contract.
- 3.5 The supplier shall supply the goods to us for a period of 15 years after the end of our serial delivery to our customer.

4. Force Majeure

Acts of God, industrial disputes, interruptions of operation beyond our control, public disturbances, the action of public authorities and other unavoidable occurrences entitle us to partially or completely withdraw from the conditions of the contract provided they result in a significant reduction of our requirements.

5. Delivery Advice and Invoice

The instructions in our orders and requests for delivery apply. A single copy of the invoice is to be sent to the appropriate address; it must not be included with the consignment of goods. Assembly instructions must be understandable, complete and correct.

6. Price and Passage of Risk

Unless otherwise agreed, prices are free Automotive Lighting plants and include packing. Value added tax is not included. The goods remain at the risk of the supplier up to the point of acceptance of the goods by us or our representative at the agreed upon place of delivery.

7. Conditions of Payment

Unless otherwise agreed, payment of invoiced amounts will be made within 20 days with deduction of a 3 % discount or within 30 days with deduction of 2 % discount or within 60 days without deduction. The period begins from the point at which both the invoice and the goods or services have been received by us. Payment is made subject to the right of auditing.

8. Guarantee

- 8.1 Acceptance of goods is subject to the right of inspection for correctness and suitability. We have the right to inspect the goods or services provided and as soon as this is feasible in the normal course of business. We will give notice of any failings immediately on discovery. To this extent the supplier waives the right to object to complaints as untimely.
- 8.2 For unsatisfactory goods or services we have the right, without adversely affecting our other statutory rights, to demand at our option (a) replacement or repair (subsequent performance) at supplier's expense and (b) – if there is no need to set a deadline for the subsequent performance or it is unreasonable to expect us to set one, or if after setting such a deadline, the subsequent performance fails or the deadline is not observed – reduction of the purchase price, or (c) partial or complete cancellation of the contract. The period of guarantee is twenty four months unless a longer period is agreed in specific cases. If we have to meet warranty claims made by our consumers because of deficiencies in the delivery, the supplier must reimburse our costs and expenses for a period of five years counted from the date the supplier supplied the goods or services to us.
- 8.3 If more thorough inspection of goods on receipt is required than normally necessary as a result of unsatisfactory delivery the cost of this is to be borne by the supplier.
- 8.4 In urgent cases, especially where it is necessary to avoid imminent dangers or excessive damage we have the right to rectify the deficiencies ascertained ourselves at the expense of the supplier.

9. Product Defects

In the event that a customer or other third party makes a product liability claim against the purchaser, the supplier shall indemnify the purchaser from liability for such claims to the extent that the damage has been caused by a fault in the product supplied by the supplier. In cases based on liability regardless of negligence or fault, however, this only applies if the supplier has been guilty of negligence. To the extent that the claim is predicated on damages for which the supplier is responsible, the latter carries the burden of proof. In such cases all costs and expenses shall be borne by the supplier including the cost of any legal action or recall of goods.

Beyond this the statutory provisions apply.

10. Performance of Work

Persons who carry out work on our premises by way of fulfilment of the contract must comply with the relevant working regulations; instructions relating to entering and leaving factory premises must be followed. Liability cannot be accepted for accidents which occur on our premises involving such persons unless they were caused intentionally or by gross negligence on our part.

11. Provision of Equipment

Materials, components, containers and special packaging provided by us remain our property. They may only be used in accordance with their intended purpose. The processing of materials and the assembly of components is carried out for our purposes. It is agreed that we own a proportion of the products manufactured using our materials and components equivalent to the ratio of the value of the goods supplied by us to the value of the complete products; to which extent the supplier holds the products in safe custody for us.

12. Confidentiality

Third parties shall not be allowed access to any documentation made available by us to the supplier, including samples, drawings, models, data and the like as well as any other information supplied by us, unless this information is clearly intended for public consumption or such disclosure is necessary for the fulfilment of the contract. Products which are manufactured using documentation drawn up by us such as drawings, models, and the like or in accordance with confidential information supplied by us or using our tools or copies of our tools may not be used by the supplier himself

nor offered or supplied to third parties. This applies by analogy to orders for printed material.

13. Place of Delivery

The place of delivery is the place to which the goods are to be supplied according to the terms of the order.

14. Place of Jurisdiction, Applicable Law

The place of jurisdiction shall be chosen by us and may be Reutlingen or another locality selected according to the location of the registered office of the supplier or the place of delivery. The contract is subject to the laws of the Federal Republic of Germany with the exclusion of the provisions on the conflict of laws. Application of the Hague Convention Relating to a Uniform Law on the International Sale of Goods, the UN Convention on Contracts for the International Sale of Goods or other conventions relating to the laws applicable to the sale of goods is precluded.