

General Terms and Conditions of Purchase of WALDASCHAFF Automotive GmbH

Scope, German law

These General Terms and Conditions of Purchase shall exclusively apply to our orders. Our General Terms and Conditions of Purchase shall also apply if we accept the delivery or carry out payments having regard to the terms and conditions of the Supplier that conflict with or deviate from our Terms and Conditions of Purchase.

Any deviations from these Terms and Conditions of Purchase shall only be effective if confirmed in writing by WALDASCHAFF Automotive GmbH. Confirmed deviations shall apply to the respective individual case without effect on any future dealings.

These Terms and Conditions of Purchase shall supersede all previous Terms and Conditions of Purchase.

The law of the Federal Republic of Germany shall apply. The application of the UN Convention on Contracts for the International Sale of Goods shall be excluded.

Orders, change-of-control

Orders shall only be binding if submitted in writing. This shall also be valid for other agreements made before or after conclusion of the contract.

Our orders can only be accepted within a week of the order date.

We reserve all ownership and copyrights to offer documents (drawings, calculations and other aids). Said offer documents may not be placed at the disposal of third parties without our express prior written consent. After the order has been processed, they shall be returned to us without solicitation.

The Supplier shall not be entitled to arrange for third parties to render services without our prior written consent.

In case the ownership structure (shareholder structure) in relation to the Supplier changes directly or indirectly, the Supplier shall inform us thereof in writing without undue delay. In such case we shall be entitled to cancel our orders immediately. The right to cancellation may be exercised within four weeks after receiving the information. The Supplier shall not be entitled to any compensation on grounds of such a termination.

Deliveries that exceed the scope of order may be stored at the expense of the Supplier. The Supplier shall be informed thereof. Said storage does not constitute approval of the delivery.

Only after obtaining our prior written consent shall the Supplier be entitled to make deliveries contrary to the order specification. After approval has been granted the Supplier shall be obliged to provide us, free of charge, with the corresponding product sample upon request. The general acceptance of the sample shall not release the Supplier from its other contractual obligations. Furthermore, it does not constitute any acceptance of the final product.

Prices and terms of payment

The prices specified in the order are fixed prices (DDP, Incoterms 2000).

The Supplier shall pay the taxes, custom duties and other duties except for VAT.

After receipt of the deliveries, our payments shall be effected within 45 days after delivery and receipt of the invoice without deduction of 2% discount. Payment shall neither include a statement on the quality of shipment nor shall it limit the rights of WALDASCHAFF Automotive GmbH.

Rights of offset or retention are due to us to the extent as defined by law.

The Supplier shall be obliged to specify our order number as well as the other ordering information (date, quantity, etc.) on all shipping documents, delivery notes and invoices; where the Supplier fails to do so, we shall not be responsible for related delays in processing.

In the event of a delay in payment, WALDASCHAFF Automotive GmbH shall only be liable in the amount of the statutory default interest.

Delivery Period

The delivery times or delivery dates agreed are binding. The delivery date is the day of arrival of the shipment to the delivery address specified by WALDASCHAFF Automotive GmbH.

If there is a delay in delivery for which the Supplier is responsible, all damages arising from the delay shall be reimbursed to WALDASCHAFF Automotive GmbH following a written reminder.

A reminder is unnecessary if a calendar date has been specified for the performance. WALDASCHAFF Automotive GmbH shall have the right to request compensation in lieu of the performance once the reasonable grace period that we have set has expired without result.

4.3 If there is a delay in delivery, we shall be entitled, irrespective of whether the Supplier is responsible for said delay, to rescind the contract once the reasonable grace period that we have set has expired without result.

4.4 If it becomes apparent that delivery dates cannot be met, the Supplier shall contact us immediately.

4.5 The deliveries shall be made on working days during normal business hours. By signing the delivery note and/or taking delivery of the goods supplied no statement is made as to whether the delivery meets specifications.

4.6 Should we not be in a position to accept due to force majeure, including strikes, lockouts as well as transport disruptions and operational disruptions in our business, we shall be released from our obligation to accept for this period. In such cases, claims made by the Supplier for valuable consideration and compensation shall be excluded.

5. Passing of risk, retention of title, suppliers

5.1 The deliveries are made DDP (Incoterms 2000).

5.2 The ownership of the delivered goods shall pass to WALDASCHAFF Automotive GmbH upon delivery. We shall not accept any and all retentions of title by the Supplier.

6. Quality and documentation

6.1 The deliveries shall be in accordance with the legal requirements, cutting-edge science and technology and, in particular, the relevant environmental regulations and conform to the agreed specifications.

6.2 The Supplier shall set up and maintain a documented quality assurance system that is suitable in terms of type and scope and complies with the current state of the art. The Supplier is the holder of a ISO 9001-certification that must be renewed on a regular basis. The Supplier shall prepare drawings, particularly in relation to quality tests, and make these available upon request.

6.3 Upon request, the Supplier shall furnish us with proof of the efficiency of its quality assurance system.

6.4 The Supplier shall not be entitled, without our express written consent, to change the production. Furthermore, the Supplier shall not be entitled to deliver a quantity other than that ordered.

6.5 Within the scope of its business activities, the supplier shall take full account of environmental protection issues.

7. Notification of defects, liability for defects

7.1 VW shall be obliged to check the delivery for any and all defects within a reasonable grace period; the objection is deemed to be timely if it is forwarded within ten working days, calculated from the time of goods receipt or in the case of hidden defects from the time of their discovery (whereupon we are required to furnish proof for the timely dispatch).

7.2 If the Supplier has undertaken to carry out its own outgoing goods inspection for quality assurance purposes, WALDASCHAFF Automotive GmbH shall only be obliged to object to any and all defects but not to examination of the goods.

7.3 With regard to our rights in case of material defects and defects of title, the statutory provisions shall apply with the following additions:

a) The period of limitations for claims for defects is two years, calculated from the time of installation of the product, but no more than 30 months from the time of delivery, unless the law provides for a longer period. In cases where an acceptance is provided for by law or by contract, the limitation shall commence with acceptance.

b) If the deliveries have defects, WALDASCHAFF Automotive GmbH shall be entitled to request, at our own option, remedy or replacement. In the event of risk of default or if the Supplier is in default with the remedy that we have requested or refuses said remedy or the remedy we have requested

fails, we shall be entitled to remedy or arrange to have remedied the defects at the expense of the Supplier or procure a replacement. We shall, at our reasonable discretion, decide if there is a "risk of default".

c) For remedied or replacement parts, the period of limitation referred to in 7.3 a) shall begin again with the remedy or the replacement.

7.4 The Supplier shall be liable for any degree of negligence. We shall not recognise any clauses of the Supplier that limit liability.

7.5 To the extent that third parties assert claims against us due to the defective condition of our product and such defective condition is attributable to the Supplier's goods, the Supplier shall indemnify us from such claims for compensation at first demand.

8. Insurance Undertakings

The Supplier shall be obliged to sufficiently insure itself against any and all risks arising from product liability and to provide us with proof of said insurance upon request.

9. Industrial Property Rights

9.1 The Supplier shall provide assurance that its delivered product is free of third-party industrial property rights that exist within the European Union, USA, Canada, Mexico and Japan.

9.2 To the extent that third-party claims are asserted against us for breach of industrial property rights, the Supplier shall be obliged to indemnify us from such claims at first demand. Such indemnification shall also apply to our customers. Such obligation to indemnify shall become voided if the Supplier produced the objects of delivery in accordance with our drawings, models or equivalent descriptions. Should the Supplier fear a breach of industrial property rights in such case, the Supplier shall notify us immediately thereof.

10. Manufacturing equipment

10.1 Models and devices, designs and tools ("manufacturing equipment") that we provide shall be insured against accidental destruction and deterioration. They shall be duly maintained and stored in the appropriate manner. To this end, the Supplier shall bear the costs.

10.2 Any and all manufacturing equipment as well as data that we have provided shall remain our property and shall be returned to us in a proper condition exempt from charges after execution of our order or, upon request. Third parties must be able to clearly recognise WALDASCHAFF's ownership of the manufacturing equipment provided. WALDASCHAFF shall identify the manufacturing equipment as its property (e.g. by affixing logos etc.).

10.3 Processing or alteration of the manufacturing equipment provided by the Supplier shall be performed on our behalf. If the manufacturing equipment is processed with other objects that do not belong to us, we shall acquire co-ownership of the new goods in proportion to the value of our goods to the other processed objects at the time of the processing.

11. Place of performance

The place of performance for all supply and performance shall be the point of destination that we have specified (usually the delivery point of the respective plant).

12. Place of jurisdiction/non-disclosure

12.1 Exclusive place of jurisdiction for any and all disputes arising from the supply relationship shall be our company's domicile. The same shall also apply if the Supplier does not have a general place of jurisdiction in Germany.

12.2 The Supplier shall be obliged to treat as strictly confidential all diagrams, drawings, calculations and other records and notices received. Such information may only be disclosed to third parties with our express consent. The non-disclosure obligation shall also apply after execution of the contract and shall become void only if and to the extent that the information was generally part of the public domain.