

General Purchasing Conditions of AEE GmbH

§ 1

Scope

1. Our General Purchasing Conditions are the sole accepted conditions. Any other conditions, not conforming to the conditions herein have to be accepted in writing by all contract parties. Our conditions for purchasing remain valid even if we accept unconditional the consignment of the supplier with knowing that conditions of the supplier are different or opposed to our General Purchasing Conditions.
2. All agreements, reached between us and the supplier concerning the fulfilment of the contract have to be in writing in this contract.
3. Our conditions for purchasing are valid only for companies conforming to the terms of §310 part 4 BGB (German Civil Code).

§2

Offer - Documents of Offer

1. The supplier is bound to accept our purchase order within a time period of (2) weeks.
2. Illustrations, drawings, calculations and other documents remain in the ownership and copyright from us; it is not permitted to assign rights over those documents to a third party or to give them to a third person without our written consent. The documents shall only be used for production on the basis of our order and have to be returned to us without request after processing the order. The documents have to be kept secret from third parties or persons, in addition to the foregoing the rules of § 9 part 4 are in effect.

§3

Prices – Terms of Payment

1. The price declared in the order is binding. Except if agreed otherwise in writing the price includes free delivery and packaging. Return of packing applies only if agreed in writing.
2. All prices include value added tax or any other applicable taxes and governmental charges such as import or export taxes.
3. Invoices can be only processed if they conform to the conditions of the order and reflect the same order- or part numbers; the vendor is responsible for all follow-up expenses occurring from deviations unless he proves that he has not to conform to such requirements.
4. Unless otherwise agreed we will pay within (14) days, calculated from the day of delivery and receipt of invoice, deducting 2% discount or within (30) days of receipt of invoice the full amount.
5. Regress and hold-backs are at our discretion according to the German law.

§4

Delivery Time

1. The delivery time declared in the order is binding.
2. The supplier has to inform us immediately if circumstances are occurring or he realizes, that the agreed delivery time cannot be met.
3. In case of delay in delivery, we are entitled to claims under law. Particularly after an adequate end of a term we are authorized to demand indemnity instead of delivery and resignation. If we are ordering indemnity, the supplier has the right to demonstrate that he is not responsible for the breach of contract.

§5

Documents – Transfer of Perils

1. The delivery has to be carried out free of charge, unless agreed otherwise in writing.
2. The supplier has to indicate our purchase order number on all documents of delivery and delivery orders. Delays of processing due to failure to do so will not be carried by us.

§6

Defect Discovery - Liability for Defects

1. We are obligated, to control the products concerning quality and quantity discrepancies in a timely manner; the regress is deemed to be in time if discovered within (5) working days after order were received or in the case of hidden defects upon detection of the defect.
2. We are entitled to any remedies by law; in any case we are entitled to ask for remedy of defects or delivery of new products from the supplier. We reserve the right of compensation, particularly the right of compensation instead of delivery.
3. We are authorized to fix the defects at the expense of the supplier, especially if there is the risk of delay or a special need for rush. 4. The limitation period is (36) month, counted from transfer of perils.

§7

Product Liability – Exemption – Liability Insurance

1. The supplier has to release us concerning claims for damages from third party on first request, if the supplier is responsible for product damage, if the cause for damage was under his management.
2. The vendor is liable under his insurance for damages which arise in conjunction with a recall we may initiate, described in Article 1 conforming with paragraph 683, 670 BGB or according to paragraph 830, 840, 426 BGB. We will inform the vendor about the extent and circumstances of the recall as much as possible and will give opportunity to respond. All other legal claims stay unaffected.
3. The supplier is obligated to have a liability insurance for products with an amount of cover 10 million Euro per bodily injury/property damage - across-the-board -; if we have further claims for damages this will remain unaffected.

§8

Property Rights

1. The vendor is responsible that the vendor does not interfere with anybody's rights within the Federal Republic of Germany in connection with his delivery.
2. In case of such a claim by third party against us, the supplier is obligated to release us from these claims by first written demand. We are entitled – without consensus of supplier – to enter in any negotiations with such 3rd party, especially to conclude a compromise.
3. The release of duty of the supplier is applying to all expenses, which we have essentially from or with a connection of claims of a third party.
4. The limitation period is (10) years, counted from conclusion of the contract.

§9

Retention of title – provision - tools – secrecy

1. As far as we order parts at a supplier, we reserve ownership on these goods. Converting or alteration by suppliers is conducted for us. In case of further processing of commodities with other products which are not our property, we will retain co-ownership of the new item at the ratio of the value of our items (purchase price plus value added tax).
2. In case an item provided by us is joined inseparably with other products not belonging to us, we acquire the co-ownership of the new product at the ratio of the value of retention (purchase price plus taxes) to other joined product at the time of amalgamation. Is amalgamation happening in a way that the item of supplier can be seen as main item, it is agreed that the supplier has to agree to adjective co-ownership of us; the supplier shall provide safekeeping of the property or co property for us.
3. We reserve the rights on all tools; the supplier is obligated to only use exclusively all tools for fabrication of goods ordered by us. The supplier is obligated to insure all tools belonging to us at

new replacement value at his costs against damage caused by fire, water and/or theft. At the same time, the supplier transfers all funds from claims of compensation from any insurance claims to us at this time; we hereby accept these funds. The supplier is obligated to undertake and complete all necessary maintenance and inspections as well as servicing and overhauling of our tooling in time and on his own expense. He is obligated to inform us of any possible malfunctions immediately. Does the supplier fail culpably to inform us, claims for damages remain unaffected.

4. The supplier is obligated to keep strictly secret all obtained images, drawings, calculations, information and other documents. They may only be disclosed to third parties under explicit and our written consent. The non-disclosure agreement is also valid after expiration of this contract. The disclosure agreement expires if and as far as obtained images, drawings, calculations, production know-how and other documents are public knowledge.
5. If the security interests - according §9 part 1 and/or part 2 of this document - in favor of us exceed the purchase price of all of our unpaid reserved merchandise by more than 10%, we are obligated on request of the supplier to reallocate the security interests at our choice.

§10

Jurisdiction – Place of Court

1. In case that the supplier is a business person, our business location is the court of jurisdiction; but we are also authorized to take the supplier to court at his court of jurisdiction.
2. If there are no explicit other agreements in this order, our business location is the place of jurisdictions.
3. The German version of this contract is the prevailing document. In case of different opinions of interpretation, the German version is the leading document.