

General Terms and Conditions for the purchase of Production Material, Indirect Goods and Services

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1. Determining conditions

The legal relationship between supplier and the different companies of HIB – TRIM PART SOLUTIONS (in the following HIB) for the purchase of production material, indirect goods and services are determined by these conditions and any additional terms agreed between the contracting parties, if any. Changes and amendments to these conditions have to be made in writing. Any other general terms and conditions shall not be applicable, even if they were not rejected explicitly in any individual case.

2. Order

- 2.1. Supply contracts (Order and acceptance of such order) and delivery releases as well as any changes or amendments thereof have to be made in writing. Delivery releases may also be issued by telecommunication.
- 2.2. In case the supplier does not accept the order, he has to object within 2 working days. Otherwise the contract will be effective.
- 2.3. In case the supplier is not able to fulfil the contract orderly and in due time, the supplier will be obliged to inform HIB within 2 working days in written form.
- 2.4. To the extent it is reasonably acceptable to the supplier, HIB may demand changes to be made to the goods relating to design and process. In this case the consequences, especially with respect to additional costs or reduction of costs, as well as with respect to delivery dates, are to be resolved in an appropriate and mutually agreeable manner.

3. Delivery dates and time limits

Agreed delivery dates and time limits are binding. Compliance with such dates or time limits shall be determined by the day of arrival of the goods to be supplied to HIB. Unless “ex works” has been agreed, the supplier shall make the goods available in time taking into consideration the time usually necessary for loading and shipment.

4. Delivery / Passing of risk

- 4.1. The supplier has to deliver the goods to the indicated address.
- 4.2. The risk passes to the purchaser with the acceptance of the delivery and the acknowledgement of it.

- 4.3. HIB will notify the supplier about any deficiencies of a shipment as soon as such deficiencies have been discovered in the course of an orderly business practice. In case HIB complies with the afore-stated condition the supplier hereby waives his right to reject delayed notification of deficiencies.

5. Acceptance of Goods

- 5.1. In case the order includes the installation or assembly of the goods, a formal acceptance by HIB is necessary. Acceptance will only be issued after a successful testing phase. Should those conditions not be part of the order, the goods are accepted once HIB has signed the official declaration declaring the operational availability of the good.
- 5.2. Payments made by HIB do not imply the acceptance of the delivered goods.

6. Delay

- 6.1. The supplier shall be committed to compensate HIB for all damages caused by the delay. There shall be no right of recovery for loss of profit and damages resulting from interruption of business.
- 6.2. In case of minor negligence damages shall be limited to additional freight costs and additional assembly costs or to the additional costs resulting from purchases from alternative sources in the event the supplier fails to meet an extended term or if HIB's interest in the delivery has become frustrated.

7. Force majeure

In case of Act of God, labour disputes, civil commotion, governmental or official actions and other non-foreseeable, inescapable and serious events the contradicting parties shall be temporarily relieved from their obligations during the period of time such events continue and to the extent their liabilities are affected. The afore-stated shall also be applicable in case the contradicting party is already in default. The contradicting parties are committed to give each other the necessary information which may reasonably be expected without delay, and to adjust their obligations in good faith to the changed circumstances.

8. Quality and Documentation

- 8.1. Concerning his deliveries the supplier shall comply with the acknowledged standards of engineering, the safety regulations and the agreed technical data. Changes to the goods to be delivered are subject to the previous written consent of HIB.
- 8.2. In case HIB demands initial samples, the supplier shall only start the production after the supplier received the corresponding written consent about the good by HIB.

- 8.3. In the event the kind and extent of testing, as well as the instruments and testing methods, are not agreed between the supplier and HIB, HIB shall, if the supplier so desires, agree to discuss the testing with the supplier pursuant to his know-how, experiences and possibilities in order to find out the requisite state of testing techniques in the case being considered. In addition, HIB shall shall, upon request, inform the supplier about the applicable safety regulations.

9. Payment

- 9.1. Payment is to be made only after the contractually defined reception of the goods, eventually after a final acceptance of the goods as well as after the presence of a correct invoice. Partial payments will be regulated separately.
- 9.2. Payment will usually be due on the 25th of the month following the month of the invoice date with a reduction of 3% cash discount or 90 days net. Payment shall be made by bank transfer or by check.
- 9.3. In case of premature shipments, payment will be made according to the agreed delivery date.
- 9.4. In case advanced payments have been stipulated, the supplier shall present a bank guarantee for the corresponding amounts. The costs for these guarantees run at the supplier's expense.
- 9.5. Without previous consent of HIB, which shall not be unreasonably withheld, the supplier shall not be entitled to assign his receivables to third parties or to have such receivables collected by third parties. HIB is entitled to balance payables with receivables of other companies within HIB - TRIM PART SOLUTIONS. Even if the supplier assigns his receivables against HIB without previous written consent to a third party, the assignment remains valid. Regardless of the assignment HIB may choose whether payment is made to the supplier or the third party.
- 9.6. Every invoice must be issued following the indications of each single order. Explicitly, invoices must contain the HIB order number, the exact name of the company, the correct address as well as the supplier number of HIB. As long as HIB does not have an invoice taking into account these prerequisites, no payment will be made.

10. Warranty / Liability / Spare Parts / Insurance

- 10.1. The warranty deed of the supplier starts with the acceptance of the goods by HIB. In general, legal warranties shall apply, however they shall not cover time periods less than 2 years.
- 10.2. In case nothing else has been agreed by the contracting parties, warranty deeds are stipulated according to the relevant legal framework. HIB is authorised to demand either the delivery of goods free of defects or the rectification of defects free of charge. Rectifications shall be considered as failed after the first attempt in vain. In case the supplier is in delay, HIB can rectify the deficiency by itself and ask for a compensation of the corresponding costs.
- 10.3. A notice of defect shall interrupt the period of warranty with regards to the deficient good. After the good has been repaired or exchanged, the period of warranty shall start again.

- 10.4. The period of warranty shall be independent of the period of use of a good.
- 10.5. The supplier shall also be held liable within the limits of warranties in case he is not the manufacturer of the goods or parts of it.
- 10.6. HIB is authorised to eliminate deficiencies by its own or through third parties in case a delay would be unacceptable.
- 10.7. Further legal requirements of the purchaser shall remain unaffected.
- 10.8. Liability limitations of the supplier with regards to warranties, product liabilities or others will generally not be recognised.
- 10.9. For production materials sold, rented or leased to HIB, spare parts have to be made available for at least 15 years, insofar nothing else has been agreed.
- 10.10. The supplier is committed to confirm to HIB the following insurance requirements:
 - Product liability indicating the maximum insurance coverage.
 - Public liability indicating the maximum insurance coverage.
 - Accident insurance of the supplier, insofar as applicable, covering his employees while they are working in the plants of HIB indicating the maximum insurance coverage.

11. Industrial Property Rights

- 11.1. Der supplier shall be liable for any claim which, by the use of goods according to the terms of the contract, result from the infringement of industrial property rights, either granted or applied for (industrial property rights), if at least one of such industrial property rights of the same industrial property right family being published either in the supplier's mother country, by the European Patent Office or in either the Federal Republic of Germany, France, Great Britain, Austria or the United States of America.
- 11.2. The supplier shall hold HIB and its customers free and harmless of all liabilities resulting from making use of such industrial property rights
- 11.3. The afore-stated shall not apply in as much as the supplier has manufactured the goods to be delivered according to drawings, models or similar other descriptions or statements provided by the purchaser and if, at the same time, the supplier does not know or, in connection with the products developed by him, was unable to know that industrial property rights were infringed.
- 11.4. To the extent the supplier is not liable pursuant to paragraph 3 above, HIB shall hold him free and harmless of all claims brought by third parties.

- 11.5. The contracting parties commit themselves to inform each other on all risks of violation or alleged violations and to give each other the opportunity to jointly oppose such claims.
- 11.6. At the request of HIB, the supplier shall inform the purchaser about the use of any published or unpublished industrial property rights which are owned by him or licensed to him relating to the goods to be delivered.
- 11.7. The principles contained in article 9 paragraph 1 concerning restrictions of liability shall be applicable accordingly.

12. Use of production devices and confidential information made available by HIB

Models, matrixes, patterns, samples, tools and other manufacturing devices as well as confidential information provided to the supplier by HIB or paid for by HIB in full, may be used for supplies to third parties only after having obtained the previous written consent of HIB.

13. Confidentiality

- 13.1. The contracting parties commit themselves to deem as business secrets all commercial and technical details which come to their knowledge during the course of their business relationship unless such details are public.
- 13.2. Drawings, models, patterns, samples and similar objects shall not be made available or otherwise be made accessible to unauthorized third parties. Reproduction of such objects is permitted only according to business requirements or in compliance with the laws on copyright.
- 13.3. Subsuppliers shall be made to commit themselves accordingly.
- 13.4. Each contracting party may use the established business relationship for advertising purposes only after having obtained previous written consent from the other party.

14. Retention of Title

The supplier retains ownership of all goods supplied by him until it has been paid for in full; in this regard all shipments shall be considered as part of one continuous supply transaction. In case of continuous invoicing the retained ownership shall be deemed to secure the balance of the supplier's accounts receivables.

If the purchaser combines the goods delivered with other goods to form a unit and if the other goods are being considered the main constituent, then the purchaser shall be committed to assign partial ownership to the supplier to the extent the main unit belongs to him. In case the purchaser resells the goods delivered according to the terms of the contract, he herewith assigns to the supplier all claims against his customer including any ancillary rights until all of the supplier's demands are completely settled.

The supplier shall release the securities held by him to the extent their value exceeds 20% of the claim to be secured.

15. General Provisions

- 15.1. The supplier shall label the delivered goods according to the guidelines established by HIB.
- 15.2. If the parties have not agreed otherwise the laws of the Federal Republic of Germany shall exclusively apply. The application of the Convention of the United Nations of 11.04.1980 on Contracts International Sale of Goods is hereby excluded.
- 15.3. The court at place is Bruchsal.
- 15.4. Place of performance is Bruchsal. Concerning the shipments, the parties may agree otherwise.
- 15.4. In the event one of the contracting parties ceases payment, or insolvency or non-judicial settlement proceedings are applied for, then the other party shall be entitled to rescind the contract with respect to the part not yet fulfilled.
- 15.5. The supplier commits himself to disclose the calculations underlying any offer.
- 15.6. HIB local currency is Euro. Offers, invoices, contracts as well as all other documents that might contain other currencies have to be converted to Euro.
- 15.7. Should one of the provisions of these conditions or of any additional stipulations agreed upon be or become invalid then the validity of the remaining part of these conditions shall not be affected hereby. The contracting parties are committed to replace the invalid provision by another – with respect to the commercial effect – equivalent provision.