

General business and purchasing conditions for equipment

Version 3, status 01/24/2013

The legal relationship between the supplier and the individual companies within the HIB – Trim Part Solutions (abbr. HIB) for the acquisition and the operation of the equipment (e.g. moulds, devices, samples, models, testing and measurement equipment, drawings and similar objects) that are used for the production and testing of the delivered parts, comply with these conditions and with the general acquisition conditions for equipment, indirect goods and services of the HIB, as well as with other possible agreements. Changes and additions must be in writing. The present conditions are exclusively valid. Other general business conditions will also remain invalid as long as the HIB will not explicitly express otherwise. The equipment will be developed, resp. made available partly for the HIB or the car manufacturer (abbr. OEM).

1. Ownership structure

- a) The HIB will remain the owner and indirect possessor of the **equipment, which was assigned** to the supplier.
- b) In the event that the supplier firstly produces equipment for HIB or for HIB on behalf of the OEM, the supplier is obliged to transfer at any time the ownership free of third-party rights and the direct possession of the equipment produced, while maintaining the indirect possession, if the agreed upon charges are paid in full amount. The supplier must ensure that no ownership retention rights, no liens or a liability of accessories under mortgage exist or extend to the above. Also, he must accordingly engage possible pre-suppliers. If liens should still exist, the supplier is required to submit release certificates of the lien owners regarding the moulds by issuing an invoice.
- c) As long as the supplier produces equipment for HIB according to the agreement while maintaining its possession of the production, the ownership will be transferred to HIB after production and payment of the agreed upon charges or payment of the acquisition price. With his signature, the supplier declares his irrevocable consent hereunto. The transfer will be replaced by the storage obligation and the loan surrender of the goods.
- d) The above is also valid for erosion electrodes. These will be kept safely until transfer and can be claimed by HIB at any time, should the supplier not need them any longer for the fulfilment of the contract.
- e) As long as the equipment is not paid or not paid completely for, HIB has the right of pre-emption. Upon exercise of the pre-emption right, already paid costs will be charged proportionately against the purchase price. The invoicing shall apply according to art. 16 d.

2. Labelling

The ownership (of HIB or of the OEM, as the case may be) on the respective equipment must be marked explicitly. HIB will provide the necessary name plates, which must be embossed and applied.

3. Monitoring of the production progress

For the equipment that was ordered at the supplier, the latter guarantees a regular monitoring of the production progress. For this he will use the HIB form **“Status Betriebsmittel Fortschritt”** (progress status of equipment) and will turn it in to the assigned purchasing officer, together with explicit, significant photos. During the regular working hours and after having previously announced, HIB may enter the respective production sites of the supplier. Upon request, the HIB employees must confirm the confidentiality interest of the supplier in writing.

4. Nomination of the equipment producer

The present contract conditions are also valid for possible sub-suppliers. In case of doubt, the supplier must inform his own suppliers. Further, the supplier commits himself to nominate his sub-supplier. HIB reserves its right, to check the progress of the equipment at the site of the equipment producer.

5. Cost details for production of new equipment, resp. changes

For all new pieces of equipment, resp. for all changes of the equipment, a cost breakdown must be prepared in the appropriate HIB mould description form, which will then be handed in together with a corresponding offer.

6. Turning in the construction information

All construction information and drawings will be turned in unsolicited to the purchasing officer after approval of the initial sampling (SOP)

7. Penalties for delayed delivery of equipment

The on-time and as-agreed supply of manufactured equipment is an essential part of the contract between the supplier and the HIB. In case of delayed delivery, HIB is entitled to impose a penalty of 1.5% of the order value per started week or part thereof, but not more than 7.5%. The right to claim further damages is reserved.

8. List of items and documents, so-called inventory documents

- a) The supplier shall, within 14 days prior to the submission of the final payment of the equipment, present the acceptance report (HIB604V03-A_D15_AbnahmeprotokollWerkzeuge-extern or internal HIB604V03-A_D9_Werkzeugübergabeprotokoll) including all required documents and further

indicate what type of insurance is available for such equipment, which he will be keeping for further use. The necessary **inventory documents** can be obtained as a template from the responsible purchasing officer or concomitant with the order from HIB.

- b) Equipment that has been transferred into the ownership of HIB or of the OEM, must be registered as **third-party property in the fixed assets**.

9. Contractual use, maintenance, upkeep and liability

a) The supplier is exclusively entitled, to use the equipment for producing parts ordered by the HIB.

b) The equipment that was produced or purchased for the HIB, as well as the provided equipment, must be treated properly and professionally by the supplier, independent of the fact, in whose possession they are. Unless otherwise agreed, required maintenance activities will also be carried out properly and professionally, without delay, at the suppliers own expense. At the same time, the supplier is responsible for the dimensional accuracy of the equipment, especially of the gauges, and must keep the equipment operational and up to date with the newest drawings. This includes the evidence of the operability of the gauges and a feed-back regarding the result.

c) The liability of the HIB, as well as the liability of legal representatives of the HIB for damage caused to the supplier through the equipment or its use is limited to intent or gross negligence and to the culpable violations of essential contractual obligations (cardinal duties), regardless of whether it is based on contract or tort.

10. Damage to the equipment

a) Should a piece of equipment be damaged, the supplier must dispose the repair or the manufacture of a replacement at his own cost, independent of the cause of damage.

The supplier bears the risk of loss or damage to the equipment – even if this occurs by accident or by force majeure. The supplier may only demand that the HIB should cover the repair or the replacement-manufacture costs, as long as the HIB is responsible for the damage or of the loss.

b) If the supplier invokes that the damage to the equipment is due to a material defect, he bears the burden for proof for this situation as well.

11. Supply

The supplier is obliged to supply the HIB at the latter's request, with the aid of the wholly or partly paid moulds, which were produced for the HIB. This is also applies during the storage period after the series delivery.

12. Supply of spare parts

The supplier is obliged to store the equipment for 15 years, after finalisation of the delivery, this being the period in which he must supply the HIB with spare parts. The storage is to be organised professionally and will not imply any costs for the HIB Group. During the storage period, the supplier is obliged to deliver parts to the HIB, on the latter's request and for the agreed upon price. (More details are to be found in the conditions for spare part supply). The end of the storage period will be presented in writing to the HIB. A **scrap disposal** is only allowed after a written consent from the HIB purchasing department.

13. Property rights

The equipment owned by the HIB or by the OEM may not be duplicated, modified, alienated, assigned as security, pledged or passed on in any other way to or used for third parties, without a prior written consent of the HIB

14. Demand for return

HIB may demand the return of the equipment at any time. The supplier has no right of retention. For this purpose, the HIB may enter the necessary sites of the supplier to pick up the equipment during the regular working hours, after previously having announced his coming.

15. Outstanding delivery obligations upon return

As long as the delivery obligations of the supplier towards the HIB are not yet fulfilled at the requested return time, the parties shall establish an amiable regulation regarding the remaining delivery obligations.

16. Return upon finalisation of the supply relationship

After the finalisation of the supply business and of the spare part supply, or upon demand, the supplier is obliged to prepare and return the equipment at the due date requested by the HIB in an adequate condition, corresponding to its previous period of usage.

17. Refunding of equipment costs

Should the supplier not be able to respect his contractual obligations due to reasons he is responsible for himself, the HIB is entitled to claim the already paid equipment costs.

18. Bankruptcy and Insolvency

a) The HIB is especially entitled to immediately take possession of the equipment, should the supplier generally cease his payments or solicit insolvency proceedings for his assets.

b) For these cases, the HIB may demand the return, if the equipment **is still in production**. In return, the HIB is obliged to refund the proportional value of the equipment. At the same time (in case of insolvency), the supplier will transfer with his signature the ownership of the (future) equipment to the HIB, in its respective condition.

d) If ownership retentions or other right from pre-suppliers or third-party creditors exist, the HIB is entitled to refund the purchase price, by this discharging the debt. In return, the supplier will give his irrevocable consent that the pre-supplier transfers the entire property directly to the customer. For these purposes, the supplier must immediately provide information about the affected creditors in advance.

e) Should the supplier find, that the rights of HIB could be affected through pre-suppliers of third-party creditors according to these conditions, he will immediately inform the HIB in writing.

f) HIB further maintains the right to offset with potential existing claims, even towards companies related to §15 AktG. This right to offset applies above and beyond an insolvency request.

g) If, because of the (impending) bankruptcy, there should still be **deliveries of series parts** to be carried out **for the amortisation of the equipment** at the moment of goods transfer, and if for this reason, the price is not completely compensated, it will be balanced by the HIB. Regarding the amortisation, the parties will reach an amiable regulation, in good faith.

19. German language

For all disputes, the partner agreed on reverting to the German version of the present business and purchasing conditions.