

General Terms and Conditions of Purchase
Schulte & Co. GmbH
As of: September 2014

§ 1 Scope of Application

1. The following terms and conditions of purchasing apply to all business transactions with our suppliers or other contractors (hereinafter referred to collectively as "Supplier"), even if they are not mentioned in later transactions or contracts. The incorporation of general terms and conditions of sale or other terms and conditions of the Supplier is hereby expressly controverted. This also applies if the Supplier refers to his/her own terms and conditions, even if these include protective and/or exclusivity clauses which we do not explicitly reject, irrespective of the chronological order in which the competing conditions of the contractual parties are referred to, unless these are agreed in writing. The effectiveness of other terms cannot be assumed from the acceptance of goods or services.
2. Our general terms and conditions of purchasing also apply, even without this being expressly indicated, to all future transactions with the Supplier, unless we agree otherwise in writing.

§ 2 Conclusion of Contracts

1. An order is only considered to have been placed if it has been made in writing and signed by us. Orders placed verbally or by the telephone are only binding for us if we have confirmed them by subsequently sending a written order.
2. An order is considered accepted, if Supplier does not contradict its acceptance within 14 days in writing. By accepting the order, the Supplier acknowledges that he has been informed by insight into the available documents of the kind and extent of the execution of the service. In case of obvious mistakes, typing or calculation errors in the documents provided by us, we are not bound by them. The supplier is obliged to notify us immediately of any such errors in writing, so that our order can be corrected. This also applies to missing documents. Order acceptances have to be confirmed to us in writing within two weeks from order, otherwise we are entitled to cancel the order.
3. The Supplier is obligated to include the standard and up-to-date automobile-industry documents, inspection reports, reports, documentation, validations (hereinafter referred to as "Documents") for an individual delivery free of charge, on request by Schulte. The project language is German. On request by Schulte, the documents from the Supplier shall also be produced free of charge in English.
4. Deviations in quantity or quality from the text and content of our order and subsequent contractual amendments shall only be considered agreed if we have confirmed them in writing.
5. The order numbers and supplier numbers included in our orders should be quoted in the invoice and in all written communications.

§ 3 Delivery Dates

1. The agreed delivery dates are binding. The delivery periods run from the date of the order. The goods must have been received by one of the recipient addresses specified by us within the delivery period. We must be notified immediately of any expected delays to delivery, and of the reason for the delay.

2. In the case that delivery dates have been agreed, the Supplier is authorised to perform services early. If the Supplier intends to deliver before the agreed delivery date, he has inform us about this and about of the intended delivery quantity in writing one week prior to the intended delivery date. The Supplier is not authorised to perform services early if and so far justified operational requirements (e.g. insufficient storage capacity) oppose this. We will notify the Supplier immediately after receipt of notification of a premature delivery, if and to what extent justified operational requirements oppose premature delivery. In this case, a refused acceptance does not constitute a default on acceptance. If the performance of a Supplier contains timely delivery as well as premature excess delivery, we reserve the right only to accept the part of the timely delivery. However, the supplier remains obliged, in any case to carry out the timely delivery. An early delivery does not bring forward the date on which the purchase price is due.
3. If release deliveries are agreed, releases shall be binding unless immediately rejected by the Supplier.
4. If the Supplier defaults, we are entitled to make legal claims. In particular, we are entitled, once an appropriate delivery period has passed without success, to demand a contractual penalty of 0.8% of the net order value per week begun, although not more than 5% of the net order value. In addition to a contractual penalty we reserve the right to demand delivery and/or to withdraw from the contract. Any paid contractual penalty will be offset against any eventual claims for compensation of damages. All rights in accordance with § 343 of the German Civil Code (BGB) remain unaffected. The acceptance of delayed deliveries or services does not mean that we waive any potential claims to compensation.

§ 4 Right of Dissociation

1. Force majeure or disruptions of operations which have a significantly detrimental effect on the operational processes in our business and are not caused by us, release us from our acceptance obligations.
Force majeure means any unusual event which could not be foreseen at signing of the contract and can not be avoided by exercising due care , eg Natural disasters , wars , etc.
2. We have the right to terminate the agreement without notice if the supplier files for an application for opening of insolvency proceedings and the application is not rejected as unfounded, the implementation of an insolvency proceeding is refused for lack of assets or the supplier is going out of business.
3. Furthermore we are entitled to terminate the agreement without notice, if the ownership structure of the Supplier change significantly or if the owner of the Supplier changes.

§ 5 Shipping, Packaging

1. A delivery note must be included with each shipment of goods. Our order details should be quoted on all delivery documents. Costs arising from the failure to observe our shipping regulations shall be paid at the Supplier's expense.
2. Delivery shall occur at the Supplier's expense and free of charge to the recipient address specified by us. If it has been agreed in writing that as an exception we are required to bear the shipping costs, the Supplier is obligated to choose the manner of shipping prescribed by us and to choose the transporter, or else select the means of shipping and delivery which is most reasonable for us.

3. Risk shall be transferred to us only once the goods have been accepted at our recipient address.
4. Packaging is included in the price. If it has been agreed otherwise in writing, as an exception, the packaging should be calculated at cost price.
5. Partial deliveries are only permitted under special written agreement.

§ 6 Proof of Origin, Proof of VAT and Export Limitations

1. Proofs of origin requested by us shall be provided immediately by the Supplier, properly signed and marked with all the required details. The Supplier shall notify us in writing, immediately and without need for request, if the details in the proofs of origin no longer apply for the goods delivered and provide us new proofs of origin. Supplier is responsible for the correctness of the given information.
2. The same applies to proofs of VAT on foreign and intra-Community deliveries.
3. The Supplier shall notify us immediately if a delivery is subject in whole or in part to export limitations under German or other law.

§ 7 Prices, Conditions of Payment

1. The prices for deliveries and services are, in the absence of written agreements to the contrary, given in terms of the net price, plus the statutory VAT and including packaging, shipping, handling and insurance. Agreed prices are fixed prices. If the Supplier reduces his prices, the Supplier is obliged to notify us immediately in writing of these price reductions. The new, lowered prices apply from the time of their entry into force. Other handlings in this regard require our previous written approval.
2. In the case of long-term contracts (contracts with a term of over 12 months and unlimited contracts), if a significant change in the cost of wages, materials or energy should apply, each contractual partner is entitled to demand negotiations regarding the appropriate adjustment of the price, subject to consideration of these factors. If negotiations do not lead to a mutually agreed amendment to the contract, both Parties are entitled to terminate the contract.
3. The Supplier shall not offer us less reasonable prices and/or terms than other purchasers, if and insofar as these offer equal conditions to the Supplier in a specific case.
4. Material price increase surcharges may be charged to us towards merely on basis of separate agreement.
5. Payments shall occur only once the goods and invoice have been received correctly and in full. In the case of partial deliveries agreed in writing, this shall apply accordingly.
6. In the absence of agreements to the contrary, payment shall occur up to thirty days at a discount of three percent or up to ninety days net. Delays arising from incorrect or incomplete invoices do not affect any discount deadlines. Insofar as we are entitled to deduct this discount in payment to the Supplier, the discount deadline shall be calculated as the time of receipt of the delivery and the invoice; if these should differ, the later shall apply in each case.
7. As a matter of principle, payment of the Supplier does not represent approval of the goods delivered with respect to their conformity to the contract.

8. The Supplier's claims from us may only be assigned to third parties with our written agreement. We are entitled in this case to offset and withhold sums within the scope of the law.
9. If we have taken on insurance cover, the Supplier's insurance costs may not constitute part of the purchase price.
10. If it becomes clear after conclusion of the contract that our supply requirements are endangered by inadequate capacity on the part of the Supplier, we are entitled to waive payment and determine an appropriate period, within which he/she is required to deliver on a delivery versus payment basis or to offer security. If the Supplier refuses or the period expires without result, we are entitled to withdraw from the contract and demand compensation of damages.

§ 8 Activity in our Business

Persons employed in fulfilling the Supplier's obligation within our business are subject to the conditions of our business regulations and the directives applicable in our company for accident prevention, work safety, environmental protection and other provisions. Hazardous substances may only be used in our business subject to agreement with our technical staff and must be properly labelled as such.

§ 9 Guarantee, Liability for Defects

1. Our statutory rights to a guarantee remain unaffected. In the case of defects which are not immediately obvious, it is sufficient for them to be reported within two weeks of their discovery. As far as delivery is a commercial transaction for both sides, § 9.4 applies.
2. Upon delivery of defective goods, the Supplier shall be given the opportunity to remedy the defects or provide a replacement delivery, subject to our choice. If the Supplier is unable to perform this service or if he/she does not meet the demands or comply with the deadline, we are entitled to return the goods at the Supplier's risk and cost and to arrange for supply from elsewhere. The statutory regulations on the expendability of a deadline and all statutory rights concerning defective goods, including right of recourse, remain unaffected.
3. The contractor is required to exercise the utmost care when carrying out contracts, and to comply precisely with our instructions. In case of ambiguity or doubt, he/she should contact us as a matter of course. By accepting a contract, the contractor confirms that his/her technical equipment means that he/she is in a position to meet our demands.
4. Insofar as delivery constitutes a commercial transaction for both Parties, § 377 of the German Commercial Code applies in the following particulars:
 - The goods shall only be considered delivered once we have had the opportunity to inspect them after the proper completion of the transaction. In case of doubt, this is the point when the goods are received on our premises during normal business hours. Transfer to the transporter is not sufficient. Any objections shall be considered to be made in good time if they are received by the Supplier within a period of five working days, calculated from the date on which the goods were received or the first opportunity for inspecting them or, in the case of hidden defects, from their discovery.
 - The approval effect does not take effect if the Supplier was not aware of the deviations in quality, as a result either of his/her own or otherwise attributable negligence, but would have assumed under normal circumstances that we would not accept the deviations.
 - Defects which cannot be discerned in the context of a normal visual and identity check shall be considered hidden defects.

5. The Supplier guarantees that all deliveries are free from rights of third parties and, in particular, that no patent or industrial property rights are infringed upon by delivery and use of the goods in the country specified for delivery in each case: within the European Union, Switzerland, Turkey and – subject to notification of the Supplier – in the intended countries of use. This does not apply, if the Supplier has produced the delivered goods solely on diagrams, models or other equivalent descriptions or arrangements provided by us and does not know that thereby intellectual property rights are violated.
6. Insofar as the Supplier is liable to third parties by act of law, the Supplier shall release us from claims by third parties arising from any infringements of property rights, and shall bear all the necessary costs which are incurred in this context.
7. We reserve our full right to compensation of damages, particularly the right to compensation of damages instead of services.
8. Our rights to guarantee and compensation of damages expire three years after the transfer of risks. Insofar as the Supplier subsequently delivers new items or individual components of one item, in the context of his/her liability for defects, the expiry period of the new item or the entire improved item, insofar as the same defect persists in the improved item, shall start again from the handover of the new item or the individual component. The renewal of the expiry period shall not take effect if the defect was an insignificant defect or the Supplier explicitly announced before the subsequent delivery that he/she was not obligated to make said subsequent delivery and only delivered the replacement for the sake of goodwill or to amicably resolve a dispute.

§ 10 Manufacturing Equipment

1. Manufacturing equipment (patterns, models, tools, forms, moulds, raw materials, etc.) and documents (patterns, diagrams, data, etc.) provided by us for the Supplier remain our property and must be returned to us unsolicited upon completion of the order. Any processing or alterations are carried out by the Supplier on our behalf.
2. Diagrams may not be reproduced. In all other respects with regard to the confidentiality of diagrams, the provisions of § 11.3 and § 11.4 apply.
3. The Supplier is obligated to attach a note of our ownership to the manufacturing equipment and documents, and to take out insurance at his/her own cost against fire, water and theft to the value as new. The supplier is obliged, without being asked, to prove the existence of such insurance by submitting the appropriate affirmation.
4. The Supplier shall notify us immediately in writing concerning any damage to the manufacturing equipment.
5. Maintenance and repair work on the manufacturing equipment shall be performed by the Supplier at his/her own cost. We shall bear the costs for repair of the manufacturing equipment which is required as a result of normal wear and tear.
6. Any processing, alteration or integration of manufacturing equipment transferred by us to the Supplier occurs on our behalf.

If this leads to an inseparable amalgamation with the property of the Supplier or a third party, we shall become part owner of the newly created item with a share equal to the value of our item proportional to the other processed items at the time of processing. If processing, alteration or integration occurs in such a way that our item should be considered an essential component of the main item belonging to the Supplier, we shall acquire part ownership of the main item with a share

equal to the value of our item proportional to the other processed items at the time of processing. In both cases, the Supplier shall grant us this part ownership.

7. The Supplier is not permitted to contact our client without our agreement. Should a business connection already exist between the Supplier and the client, no establishment of contact or no exchange of information with the client may occur with regard to the existing business relationship with us.

§ 11 Manufacturer's Liability, Property Rights, Secrecy Obligation

1. The Supplier shall release us from liability for damages for which the Supplier him/herself is culpable, insofar as there was no additional contributory negligence for the damages on our part.
2. The Supplier shall be liable for ensuring that his/her delivery and our use thereof do not infringe on the patents or rights of third parties. The Supplier shall be free to prove to us that he/she is not culpable for the infringement of the rights of third parties. Insofar as we are liable to third parties after this, he/she shall release us and our customer from all claims arising from the use of such property rights and all expenses necessarily arising in the context of the claim. We are not entitled – without the Supplier's agreement – to conclude agreements of any kind, particularly completing a comparison. The Supplier shall not be liable to us, insofar as the Supplier produced the goods delivered in accordance with diagrams, models or other similar descriptions or instructions provided by us and is not aware that property rights were infringed upon as a result.
3. Each contractual partner shall use all the documents (including also patterns, models, tools and data) and knowledge, which he/she acquires via the business relationship, solely for the common purposes pursued by both Parties, and observe secrecy towards third parties with the same care afforded to his/her own documents and knowledge, if the other contractual partner has designated them as confidential or has a clear interest in their secrecy. This obligation shall begin on first receipt of the documents or knowledge and shall continue for an indefinite period after the end of the business relationship.
4. The obligation shall not apply to documents and knowledge which are common knowledge or which were already known to the contractual partner on receipt thereof, without him/her having been obligated to maintain secrecy, or which are subsequently forwarded by a third party authorised to transfer the information, or which are developed by the recipient contractual partner without using the confidential documents or knowledge of the other contractual partner.

§ 12 Place of Jurisdiction, Place of Fulfilment

1. All legal relations between the Client and ourselves are subject exclusively to German law, even if the former is based abroad, with the exception of the UN Convention on Contracts for the International Sale of Goods (CISG).
2. The place of jurisdiction and of fulfilment for merchants is Hemer.
3. If individual terms of these General Terms and Conditions of Purchasing should be or become ineffective, the effectiveness of the remaining terms shall remain unaffected by this