

General Purchase Conditions for the companies attached to the aichele GROUP

(BREMI Fahrzeugelektrik GmbH + Co.KG, BREMI (Suzhou) Trade Co. Ltd., era-contact GmbH Germany, era-contact Tunisia S.A.R.L., era-contact (Suzhou) Co. Ltd. China, era-contact France, era-contact USA)

1. Subject of the Contract

- a) These general Purchase Conditions shall be applied for all existing and future business relations of the aichele GROUP with companies (in terms of § 14 BGB - German Civil Code), referred to as "Supplier" in the following, regarding delivery and other services including contracts for work and labour and the delivery of non-fungible goods. They remain also valid if there is no expressly reference to them during further business operations. The Supplier accepts the exclusive validity of these Purchase Conditions.
- b) Herewith, the Supplier's Sales Terms and Delivery Conditions are expressly excluded without our further objection being necessary, even if the Supplier refers to his Sales Terms and Delivery Conditions in his notice of order acceptance. Our Purchase conditions remain valid if we accept the Supplier's delivery without any reservation though we are aware of conflicting or deviating conditions from the Supplier. The Supplier's Sales Terms and Delivery Conditions shall only be valid with our expressly consent in written. Any fulfilment of contract of our part shall not replace this written confirmation.

2. Written form

This contract specifies in written all stipulations we have mutually agreed with the Supplier for realizing a contract.

3. Orders

- a) Any order or its revision only shall be valid if we placed them in written. Verbal orders / modifications are only legally valid if we confirmed them in written.
- b) The Supplier shall accept our order in written within seven days after receipt. In case we have not received a notice of acknowledgement within this time-limit, we are entitled to revoke the order in written without the Supplier having the right to derive claims from this.
- c) We reserve the right of construction or format changes until delivery, which however shall not unreasonably restrict the Supplier's interests under consideration of our interests.
- d) The Supplier shall not submit sub-orders without our expressly consent in written.

4. Delivery and Acceptance

- a) Unless otherwise agreed in written, the deliveries shall be franco domicile. They shall conform to the design, scope and schedule specified in the order and shall meet the deadlines. The delivery documents, including the delivery note, shall be enclosed to every single delivery with exact indication of our order reference. In the event of missing or inaccurately fulfilled delivery documents and / or delivery notes we shall not be held responsible for delayed execution. Should one of these cases arise, the Supplier shall bear all the costs due to this delay of execution if he is at fault.

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The delivery deadline specified in the order is binding. The Supplier shall ensure delivery on time. He shall immediately inform us in written if an event occurs or if he learns about circumstances, which result in impossibility of respecting the requested deadline. In this case, the Supplier shall notify us a new delivery date. We are entitled to the legal claims due to delivery default. In particular we have the right to request compensation instead of accomplishment and to terminate the contract after end of an appropriate period without any effect. In case we request damages the Supplier has the right to prove, that he is not responsible for the breach of duty.

- b) The return delivery of empties and packaging material if they are recyclable shall be carried forward to the Supplier's costs. There is no obligation of return if we have exceptionally paid the packaging material in the frame of the purchase price.
- c) In case of delivery franco domicile the risk is passing to us when the delivery has been handed over in due way.
- d) The number of pieces, dimensions, weights and quality features, which we determine during our incoming inspection, are final. We are not obliged to accept any partial or supplement delivery unless otherwise agreed in advance. We have the right to return deliveries arriving before the agreed date of delivery to the Supplier who shall bear the costs and risks as well as any possible storage costs, which shall not exceed the usual storage costs. We shall invoice own storage costs only if they exceed the costs we would have had anyway.

5. Delivery prices

The prices are free our plant. The order indicates the binding price. Due to lack of deviating agreement in written, this price includes free delivery, packaging and transport insurance. The return of packaging shall be governed by a separate agreement.

6. Quality

- a) The Supplier shall ensure that the delivered products and services have the features and characteristics of quality and state as being specified in the order and that they comply with the specification, drawings, samples and other descriptions, which we have provided. In the case of a warranty claim, the Supplier is liable according to the legal regulations.
- b) The Supplier shall perform a quality inspection, whose methods and volume are appropriate and which complies with the latest state of the art.
- c) In case first or type samples are requested, the Supplier shall not start the serial production without our expressly authorization in written.
- d) We expect the Supplier to permanently adapt the quality of our products to the latest state of the art. He shall always inform us about possible improvement and technical revisions. However he shall not change the products without our previous and expressly authorization in written.
- e) The Supplier shall guarantee and ensure the compliance with all legal safety and environmental regulations in the country of origin.
- f) The Supplier shall allow the Buyer, his customers and supervisory authorities (e.g. the Federal Railway Authority for railway products) access to all processes, equipments and relating records necessary for manufacturing the object of delivery in order to verify their quality.

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- g) During the whole supply chain, the supplier shall communicate the quality requirements according to clause 6 to the suppliers of the next order (subcontractors of the Supplier).

7. Warranty

The Supplier shall guarantee that the object is free of any defects of material or title regarding construction, production and material. Regardless of this obligation, the Supplier shall be liable according to his quality guarantee.

8. Liability for defects

- a) We are obliged to verify the goods regarding quality and quantity within an appropriate period. Our obligation consists only of indicating an existing defect; we are not obliged to determine or to indicate the cause of the defect. We shall inform the Supplier within three working days starting with the receipt of goods or - in case of hidden defects - starting with the detection. If the Supplier is informed within this time-limit, he shall not raise plea of delayed claim. The Supplier shall confirm the receipt in written within 24 hours after having received the customer complaint.
- b) We are entitled to unrestricted compensation as legally stipulated. In every case, we have the right to request removal of defects or replacement delivery from the Supplier according to our choice. In this case, the Supplier shall bear all expenses for the removal of defects or the replacement delivery. The Right for damages, in particular compensation instead of accomplishment is expressly reserved.
- c) We are entitled to remove the defect on our own in particular in case of imminent danger or of special urgency. In this case, the Supplier shall bear the costs. Special urgency is only given if we have no possibility to inform the Supplier about the defect and to grant even a short time-limit for removal of the defects to the Supplier.
- d) The limitation period for defects of material or title is 36 months starting from the passing of risks. In case the Supplier has fraudulently concealed the defect, the limitation period is 5 years as of the passing of risks
- e) In case the Supplier is responsible for a product defect or damage, which was caused by his organization or environment, and if he is liable in relation to third parties, he shall exempt us from any claims on a first request

During the duration of this agreement, meaning until the end of termination period of claims for defects the Supplier is obliged to take out a product liability insurance with a general coverage of at least EUR 5.000.000,00 per personal injury / property damage also including potential recall campaign costs, series defect as well as assembly and disassembly costs. On our request, the Supplier shall prove the conclusion of an insurance policy, which he has individually agreed with his insurance company. This insurance does not represent any liability limitation in favour of the Supplier. Further claims for damages remain unaffected if more extensive damage has been caused.

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9. Right of rescission in case of force majeure (Act of God)

In case we are forced to stop or to restrict our production or if we cannot deliver the goods ordered by our customers due to circumstances or events occurred in our organization or in our supplier's environment, such as natural disasters, public or transport disturbances, acts of public authority, industrial action or any other production disturbances we are immediately exempt from our obligation of acceptance unless we are unable to avert the event or if avoidance with reasonable means is not possible.

10. Means of production, rights, business secrets

- a) We reserve any property rights and copyrights for means of production such as drawings, models, samples, tools, gages and similar objects, which we have provided to the Supplier. They shall be assigned to us as well as potentially existing usage and exploitation rights if the Supplier has produced these means of production according to our indications. They shall not be sold, mortgaged or disclosed in another way to a Third party without our written consent. The Supplier is obliged to keep the secret strictly such means of production and shall store them gratuitously however not longer than five years after end of the corresponding contract and thereafter he shall return them to us. Unless we have given another instruction, the Supplier shall scrap the means of production at his expenses after the above mentioned period of storage. Scrapping only is admissible if the Supplier has advised it to the Buyer at least 2 month in advance in order to enable the Buyer to give different instructions.
- b) We have the exclusive usage and exploitation rights for any technical information and data such as weights, dimensions, control plans, etc.
- c) The Supplier shall consider the order and every kind of relating commercial or technical information and data as business secret and shall treat them confidentially. Unless otherwise agreed, the attached agreement of confidentiality shall be applied.
- d) In his advertising campaigns, the Supplier shall not disclose our mutual business relation without our previous consent in written.
- e) In case no contract is concluded the Supplier is obliged to immediately return all documents, which we have handed over to him as well as to delete any data possibly saved on his electronic media without our expressly request being necessary. We have a corresponding obligation after the order has been executed.

11. Payment

- a) Payment will be made after proper receipt of goods and receipt of qualified goods and correct invoice. Settlement of invoices is subject to indication of the order reference - in accordance with the instructions specified in our order; the Supplier shall be responsible for any consequence due to breach of this obligation unless he can prove that he is not at fault. Unless otherwise agreed, the invoice is settled as follows:
14 days 3 % discount (after delivery and receipt of invoice),
30 days 2 % discount (after delivery and receipt of invoice),
60 days net (after delivery and receipt of invoice).
- b) We are entitled to the legal rights to offset or to retention.

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- c) In case we made a deposit, we shall acquire a (co-)ownership of the goods ordered from the start of their manufacture in proportion to the amount of our deposit regarding the other objects to be treated.

12. Third party's Industrial Property Rights

- a) The Supplier shall guarantee that the usage of the goods which he has delivered - and as far as he has produced them - do not directly or indirectly infringe existing industrial property rights of a Third party who does not benefit from legal special protection within the Federal Republic of Germany. In case the Supplier has culpably infringed such rights he is liable for any direct and indirect damage, which we suffer from due to the infringement of rights.

- b) In case our customers or we should be confronted with the claim from a Third party due to culpable infringement of rights, the Supplier is obliged to exempt us from this claim on a first request; we are not entitled to conclude any agreements or out-of-court settlements with the Third party without the Supplier's consent.

The Supplier's obligation of exemption shall refer to any expenditure, which is necessarily caused to us or to our customers due to or in connection with the claim from a Third party.

- d) The limitation period for these claims is three years as of passing of risk. If the Supplier has deceived by concealing the existence of such rights, the limitation period is five years as of the passing of risks. e) In case the Supplier realizes that industrial property rights or patents from a Third party may be infringed in connection with the production, he shall immediately inform us without request.

1. Retention of Title - Provision of customer-owned material / goods - tools

- a) If we provide our own parts to the Supplier we reserve the proprietary right for them; any treatment or modification by the Supplier shall be executed for our purposes. In case the goods we have reservation rights for, are treated with other objects, which we do not own we shall acquire property of the new object in proportion of the value of our own object to the value of other treated objects at the moment of treatment.
- b) If the object we have provided is inseparably assembled with other objects, we shall acquire property of the new object in proportion of the value of our own object to the value of the assembled objects at the moment of assembly. If the mixed goods are considered in such a way that the Supplier has the main property it is deemed to be agreed that the Supplier shall transfer proportional ownership to us; the Supplier shall keep our ownership in custody.
- c) We reserve the property for tools; the Supplier shall exclusively use the tools for producing the goods we have ordered. The Supplier is obliged to insure our objects at their original value against fire, water and theft at his expenses. He shall execute any necessary maintenance or repair in due time and at his expenses. He shall immediately inform us about any disturbances; if he culpably omits this obligation, any claims for damages remain unaffected.

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2. Place of fulfilment, place of jurisdiction, applicable law and final clauses

- a) The Law of the Federal Republic of Germany shall be applied. Any application of the UN Convention on Contracts for the International Sale of Goods is excluded.
- b) Our official business location is the exclusive place of Jurisdiction and Fulfilment for all disputes irrespective of legal basis, also in case of disputes regarding financial acceptance or checks. We have the right to file claims at the Supplier's official business location as well.
- c) In case other regulations, where the Buyer generally uses for his business relations such as purchase frame conditions, agreement of confidentiality, etc. are applied and may conflict with the present document regarding individual stipulations, the respective contract (e.g. the purchase contract) specifies the priority of the different regulations. Any application of the Supplier's General terms and conditions is expressly excluded.
- d) If any stipulation of this contract with the Supplier, including these general terms and conditions, is or becomes partly or completely ineffective or unrealisable the validity of the other stipulations remains unaffected. In this case every contractual party has the right to require agreement of a new stipulation, which meets the purpose of the ineffective or unrealisable one as close as possible. Likewise if any stipulation is missing in this agreement

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