

1. Scope

1.1 Solely the following Conditions of Purchase apply to orders of COTESA GmbH („Buyer“) for deliveries and services („delivery item“). Amendments and supplementary information regarding these Conditions of Purchase are subject to written confirmation by the Buyer.

1.2 The Supplier's general terms and conditions of business that vary from these Conditions of Purchase are not binding for the Buyer, even if the Buyer does not expressly contradict such conditions. The unconditional delivery of goods applies as recognition of the Buyer's Conditions of Purchase – irrespective of possible former objections by and varying conditions of the Supplier.

1.3 If deliveries are carried out according to these Conditions of Purchase, these shall also apply to subsequent orders.

2. Orders, confirmation of orders

2.1 The order shall be deemed accepted if no written confirmation of the order has been received within 10 working days – calculated from the date of the order.

2.2 In the case of orders that have not yet been processed, or not yet fully processed, the Buyer shall be entitled to demand amendments regarding design, delivery quantities and the delivery time. In this respect appropriate account is to be taken, in particular, of the effects of additional or fewer costs and of an alteration to the delivery dates.

2.3 Subject to a provision to the contrary, delivery call-ups are binding if the Supplier does not oppose these within 2 weeks.

3. Production release

If the Buyer requests samples, the Supplier may only commence series production once the Buyer has provided a release of the sample in writing.

4. Prices

4.1 Domestic deliveries: The agreed prices are fixed prices and apply delivered and duties paid to the plant stated in the order (DDP, Incoterms in the respective version valid upon acceptance of the order), Foreign deliveries: The agreed prices are fixed prices and apply delivered and duties unpaid to the plant stated in the order (DDU, Incoterms in the respective version valid upon acceptance of the order).

4.2 The prices include the cost of packaging, loading, freight and insurance costs that may apply to transporting the goods. This also applies to additional costs that arise due to the necessity of an accelerated transport, for which the Supplier is responsible.

4.3 The Supplier is to procure, at its own cost, the export and import licences or other official permits and deal with all customs formalities required to export and import the goods and, if applicable, transit goods through a third country.

5. Invoices, terms of payment

5.1 Invoices are to be written out in duplicate at all times. The Buyer cannot process invoices without order details or a correct postal address.

5.2 Payment is to be effected following delivery of the goods as per agreement and receipt of the proper and verifiable invoice within: 30 days less 3% trade discount or within 60 days net. A discount may also be deducted in the case of setting off.

6. Delivery date, default

6.1 The agreed delivery deadlines and dates are binding.

6.2 If the Supplier becomes aware that it cannot honour the delivery deadlines and dates, it is to inform the Buyer of this without delay in writing by stating the reasons and the probable duration of the default. This shall not affect the Supplier's responsibility to execute the contract in good time.

6.3 If the Supplier defaults regarding its service, either wholly or in part, it is to pay a penalty to the Buyer. This amounts to 0.1% for each calendar day of the default, however, totalling at most 5% of the price of the outstanding part of deliveries and services. The Buyer's right to claim penalty shall remain valid even if it is not reserved upon acceptance of the deliveries and services. This shall not affect the Buyer's further reaching claims.

7. Delivery and acceptance

7.1 The delivery must correspond with the order as regards design, scope and classification. The Supplier's accompanying documents must contain the Buyer's order number and article date (e.g. proof of quality, serial number, quantity) and are to be included with each delivery. Insofar as it is applicable, the EC safety data sheet is to be included.

7.2 The Buyer is entitled to return, at the Supplier's cost and risk, partial or additional deliveries that were not agreed upon and deliveries carried out prior to the agreed date. It may also charge storage costs.

8. Export control

8.1 As far as the delivery item to be delivered by the Supplier is required for export, the Supplier shall submit in good time prior to the initial delivery the required written declarations regarding the delivery item (e.g.: regarding the country of origin, the HS code (harmonised customs code), export list number, supplier's declaration, movement certificate etc) and if applicable, inform the Buyer of subsequent export restrictions. The Buyer is to be informed without delay, and without request, of a change of origin.

8.2 In case the delivery requests an export license, this license is to be made available by the Supplier within due time. A copy of the export license shall be transferred to the Buyer upon delivery at the latest.

9. Passing of ownership

9.1 Ownership of the delivered goods shall pass to the Buyer upon the hand-over at the place of delivery.

9.2 As far as the Buyer provides the Supplier with parts, the Buyer reserves the right to ownership in this respect. Processing or transformation by the Supplier shall be carried out on behalf of the Buyer. If the Buyer's reserved goods are processed with other items that are not the Buyer's property, the Buyer shall acquire coownership of the new item in proportion of the value of the Buyer's item (purchase price plus VAT) to that of the other processed items at the time of processing.

9.3 The Buyer reserves the right to ownership of the tools. The Supplier undertakes to use the tools solely for manufacturing the delivery item ordered by the Buyer. The Supplier undertakes to take out new-for-old insurance for the tools owned by the Buyer at its own cost with coverage against damage by fire, water and theft.

9.4 Insofar as the security rights to which the Buyer is entitled pursuant to sub-section 9.2 and/or sub-section 9.3 exceed the purchase price of all reserved items, that have not yet been paid, by more than 10 %, the Buyer shall, at the Supplier's request, be under obligation to release the security rights at its discretion.

10. Quality

10.1 The Supplier is to guarantee adherence to the agreed specification by way of a quality assurance system.

10.2 The Supplier is to set up and maintain the quality assurance system according to the state of the art technology. It is to draw up records, in particular of its quality control, which shall be made available to the Buyer on request.

10.3 The Supplier shall draw up and use manufacturing documents that guarantee reproducible and traceable manufacturing and a review of the delivery item.

10.4 The Supplier shall grant the Buyer, its contractor and the public authority setting the regulations right of access to all facilities associated with the order, and to appertaining drawings. In addition it hereby gives its approval to quality audits carried out by the Buyer, its contractor and the public authority setting the regulations to assess the effectiveness of its quality assurance system.

10.5 Furthermore, additional quality assurance requirements stated in the order or attachments are to be observed. The Buyer and Supplier shall enter into a separate Quality Management Agreement (QMA) depending on the respective delivery item.

10.6 If the Supplier identifies faults regarding the delivery item or comparable products, or if there is a suspicion in this respect, it shall inform the Buyer without delay.

10.7 Alterations by the Supplier to the delivery item or the processes required for the manufacture are subject to prior, written, approval by the Buyer.

10.8 The Supplier shall oblige its sub-contractors under obligation in accordance with the above regulations.

10.9 The Supplier shall handle drawing documents rendered invalid in a way that further use is impossible.

10.10 Irrespective of special regulations, the packaging/preservation of the delivery item is to be at least carried out such that a loss of quality is excluded in transit.

11. Liability for faults (warranty)

11.1 The Buyer is to inform the Supplier without delay in writing of defects regarding the delivery as soon as such faults are detected in accordance with the circumstances involving the proper course of business. Insofar the Supplier waives an objection to delayed notification of defects. Possible payment of the purchase price prior to the detection of defects does not constitute any recognition that the goods are free from defects and were delivered in due form.

11.2 The Supplier guarantees that the delivery item is free of faults as regards design, manufacture and material and that the prescribed specification and characteristics will be adhered to.

11.3 Warranty claims of the Buyer shall be limited to 30 months calculated from delivery of the goods. The limitation of action shall be extended in the event of remedial actions by the period in which the Buyer could not use the goods. The warranty period for substitute deliveries is also 30 months as from delivery. The Supplier is, at the Buyer's discretion, either to provide cost free replacement or remedy the defect free of charge. In urgent cases (e.g. if substantial damages threaten the client of the Buyer) the Buyer shall be entitled, at the Supplier's cost, to remedy the defect, have a third party carry out such work or otherwise procure a replacement. This shall not affect further-reaching claims.

11.4 If a fault is identified upon the receipt of goods, the Buyer shall be entitled to assert warranty claims regarding the entire delivery. The same applies to cases in which a fault is identified in the event of reprocessing.

11.5 Reworked parts are to be packed separately from newly manufactured parts, and marked as separate items on the delivery note. Such items are to be marked "reworked" on the delivery note and the packaging. The Buyer's audit report no., order no. and order item are to be stated on the delivery note. Insofar as nothing to the contrary is agreed, the Supplier is to send a fault analysis to the Buyer at the latest by way of the return delivery.

12. Industrial property rights

It is the Supplier's responsibility that the domestic or foreign industrial proprietary rights or applications for industrial proprietary rights are not violated as a result of use of the delivered items. It shall indemnify the Buyer or its customers in accordance with the legal provisions from all claims resulting from the aforementioned. The Supplier shall also be liable if the violation DAs-RV Page 4 Status: July 2006 of property rights could have been avoided by appropriate protective measures (e.g. search).

13. Manufacturing means

13.1 Manufacturing means such as drawings, models, samples, tools, instructions and the like, which the Buyer makes available to the Supplier, or which the Supplier manufactures according to the Buyer's details, shall be marked as the Buyer's property and may neither be sold to third parties, pledged, otherwise forwarded nor in any way used for third parties without written approval.

13.2 After the end of contract, manufacturing means made available by the Buyer are to be returned without request and at the Supplier's cost and risk. Notwithstanding that, the Buyer has a right to recovery on first request. The Supplier waives asserting rights of retention.

13.3 If the Buyer assumes tool costs, a separate agreement shall be concluded in this respect.

13.4 The Supplier shall on its own cost maintain and support all tools. The storage of the tools shall be free of charge for the Buyer.

14. Environmental protection and safety

14.1 The Supplier undertakes to abide by the pertinent provisions (in particular regarding environmental protection, occupational safety and the German Security Clearance Act). The Buyer is entitled to review adherence to this regulation by way of an appropriate audit.

14.2 The Supplier shall furthermore take care when designing and manufacturing the goods that the detrimental effects on the environment are kept to a minimum, and take care regarding subsequent use and disposal (closed-loop materials economy).

14.3 As far as the Supplier performs work at the Buyer's business premises, the pertinent instructions (information sheet) are to be followed.

15. Business confidentiality and advertising

15.1 The Supplier undertakes to maintain confidential Commercial and technical information and documents that are not generally known and of which it gains knowledge during the business relationship. This also applies beyond a possible contractual term or the premature end of contract. Furthermore it undertakes to use such information/documents solely to render the ordered deliveries and services. Possible subcontractors are to be placed under obligation accordingly.

15.2 The obligation to maintain confidentiality pursuant to sub-section 15.1 also applies to all diagrams, drawings, calculations and other documents and information received from the Buyer. These may only be disclosed to third parties following express approval of the Buyer.

15.3 The Supplier may only state the Buyer's name for advertising purposes, references or as part of other publications if the Buyer has given prior approval to this in writing.

16. Miscellaneous

16.1 Orders and deliveries are solely subject to the law valid in the Federal Republic of Germany. Application of the UN Convention on Contracts for the International Sale of Goods dated 11.04.1980 is excluded.

16.2 The Supplier authorises the Buyer, by way of waiving notification, to use personal data as far as permissible under the German Data Protection Act and the necessity to fulfil the contract, and to forward these to departments in the Group dealing with the execution of the contractual relationship.

16.3 In the event that a provision of the contract or these Conditions of Purchase is or becomes invalid, this shall not affect the validity of the contract in other respects. The contracting parties undertake to replace the invalid provision with a largely equivalent regulation.

16.4 The place of delivery is deemed the place of jurisdiction. The Buyer is also entitled to bring an action before a court with jurisdiction for the Supplier's principal place of business or branch.