

General terms and conditions of purchasing of VTI Ventil Technik GmbH (Stand 07/2008)

1. General, scope of application

1.1 Our terms and conditions of purchasing shall apply exclusively; contradictory terms of supplier or ones deviating from our terms and conditions of business shall only be acknowledged if we have expressly agreed to their validity in writing. Our terms and conditions of purchasing shall apply even if we accept Supplier's delivery without reservation despite knowledge of contradictory terms of Supplier or ones deviating from our terms and conditions of business.

1.2 All agreements made between ourselves and Supplier for the purpose of performance of the present contract shall be recorded in writing in the present contract.

1.3 Our terms and conditions of business shall only apply towards enterprises pursuant to § 310 sub-section 4 German Civil Code.

2. Quotation / order, documents

2.1 In the event of an order on our part, Supplier's acceptance period shall be one week from receipt of the order.

2.2 We reserve ownership and copyrights to illustrations, drawings, calculations and other documents; they may not be made accessible to third parties without our express written approval. They shall exclusively be used for production on the basis of our order; after handling of the order, they shall be returned to us without specific request. They shall be kept secret from third parties, to which extent the regulation in Section 9, sub-section 5 shall apply as a supplement.

2.3 To the extent that a quotation is requested to start with, Supplier shall abide precisely by the requirements in our inquiry with a view to quantity and properties of the commodities in its quotation. In the event of deviations, it shall make express reference to them. Quotations shall be free of charge for us. Our acceptance period shall be one week from receipt of the quotation.

3. Prices, payment terms

3.1 The price stated in the order shall be binding. In the absence of a deviating written agreement, the price shall include delivery "franco domicile" inclusive of packaging. Return of the packaging shall require specific agreement.

3.2 We can only process invoices if they state our order, article and supplier number; Supplier shall be answerable for all consequences resulting from a failure to comply with this obligation to the extent that it cannot prove that it is not answerable.

3.3 To the extent that nothing to the contrary has been agreed in writing, we shall pay the purchase price with 3% discount within 14 days starting from delivery and receipt of the invoice or net within 30 days of receipt of the invoice.

3.4 Rights to offset and retention shall accrue to us to the statutory extent.

3.5 Assignment of a claim against us to third parties shall be ruled out to the extent that we have not expressly approved this in writing.

3.7 Place of payment shall be Menden.

4. Delivery period

4.1 The delivery time stated in the order shall be binding to the extent that Supplier does not expressly contradict it upon acceptance of the order.

4.2 Supplier shall be obliged to inform us without delay if circumstances from which it can be seen that the requested delivery period cannot be complied with occur or become recognisable for it.

4.3 In the event of arrears in delivery, we shall be entitled to demand lump-sum damages from arrears to the amount of 1% of

the delivery value per commenced week, albeit no more than 10%; further-reaching statutory claims (withdrawal and damages in lieu of performance) shall remain reserved. In particular, we shall be entitled to prove that higher damage has been incurred. Supplier shall have the right to prove to us that no or considerably less damage has been incurred as a result of the arrears.

4.4 If an accelerated form of dispatch becomes necessary for us as a result of exceeding the deadline, Supplier shall bear all the additional costs incurred.

5. Passage of risk, documents

5.1 To the extent that nothing to the contrary has been agreed in writing, delivery shall be franco domicile.

5.2 Supplier shall be obliged to state our order number precisely on all dispatch papers and delivery notes; if it fails to do so, we shall not be answerable for delays in processing.

6. Examination for defects, liability for defects

6.1 We shall be obliged to examine the commodities for all and any deviations in quality and quantity within a suitable period; the notification shall be punctual to the extent that it reaches Supplier within a period of 7 working days, starting from receipt of the goods, or, in the case of hidden defects, from discovery.

6.2 The statutory claims from defects shall accrue to us uncurtailed; in any case, we shall be entitled to demand remedying of the defect or delivery of a new object from Supplier at our own discretion. The right to damages, in particular damages in lieu of performance, shall be expressly reserved.

6.3 Following a fruitless expiry of a suitable period of grace set by us for subsequent performance, we can remedy the defect ourselves and demand reimbursement of the necessary expenditure, unless Supplier justifiably rejects subsequent performance. No period need be set if the subsequent performance is impossible for Supplier, Supplier seriously and finally rejects subsequent performance, Supplier does not effect the performance on a date or within a period set in the contract and we have bound the continuation of our interest in performance to the punctuality of the performance, if particular circumstances justifying immediate remedying of the defect ourselves exist, taking both parties' interests into account, subsequent performance has failed or cannot be reasonably expected of us. Supplier shall be notified by us without undue delay.

6.4 If the defective products supplied have already been processed by us and/or integrated into other products by us or our customers, not only subsequent performance, but also a claim to indemnification for the transport costs necessary for subsequent performance and dismantling and installation costs shall accrue to us. The right to further-reaching claims shall remain reserved.

6.5 The period for barring by limitation shall be 36 months, starting from passage of risk.

7. Product liability, indemnification, third-party liability insurance coverage

7.1 If Supplier is answerable for product damage, it shall be obliged to hold us harmless against claims to damages from third parties at first request to the extent that the cause can be seen in its sphere of control and organisation and it is itself liable in the external relationship.

7.2 Within the framework of its liability for cases of damage within the meaning of sub-section (1), Supplier shall also be obliged to reimburse all and any expenditure pursuant to §§ 683, 670 German Civil Code or pursuant to §§ 830, 840, 426 German Civil Code resulting from or in connection with a recall action carried out by us. We shall notify Supplier about the contents and the scope of the recall measures to be carried out to the extent possible and reasonable and give it an opportunity to make comments. The right to other statutory claims shall remain reserved.

7.3 Supplier engages to maintain a product liability insurance with a sum insured of € 10 million - as a lump-sum - per case of physical or property damage; if further-reaching claims to damages accrue to us, they shall remain unaffected.

8. Protective rights

8.1 Supplier shall vouch for the fact that no third-party rights within the Federal Republic of Germany are breached in connection with its delivery.

8.2 If claims are made against us by a third party for this reason, Supplier shall be obliged to hold us harmless against such claims at first written request; we shall not be entitled to make any kind of agreement with the third party without approval of Supplier, in particular not concluding a settlement

8.3 Supplier's obligation to hold us harmless shall relate to all expenditure incurred by us from or in connection with claims made by a third party.

8.4 The period for barring by limitation shall be ten years, starting from conclusion of the contract.

9. Retention of title, provision, tools, confidentiality

9.1 Insofar as we provide parts to Supplier, we reserve title thereto. Processing or re-shaping by Supplier shall be done on our behalf. If our conditional commodities are processed with other objects not belonging to us, we shall acquire co-title to the new object in the ratio of the value of our object (purchase price plus VAT) to the other processed objects at the time of the processing.

9.2 If the commodity provided by us is inseparably blended with other objects not belonging to us, we shall acquire co-title to the new object in the ratio of the value of the conditional commodities (purchase price plus VAT) to the other blended objects at the time of the processing. If the blending is such that Supplier's object is to be regarded as the main object, it shall be deemed agreed that Supplier assigns co-title to us pro rata; Supplier shall keep the sole or co-title on our behalf.

9.3 All tools, drawings, models and other production equipment specifically necessary for production of the parts manufactured by us and paid for by us directly to Supplier or to a third party in the event of procurement of the production equipment by a third party which exist, are procured or specifically manufactured during the term of the contract shall pass into our ownership. For the purpose of the passage of ownership, it is agreed that Supplier possesses the production equipment on our behalf as a borrower. The production equipment shall be marked as our property in a suitable way and clearly visibly. Supplier shall be obliged to make use of the production equipment exclusively for the manufacture of the commodities ordered by us. Supplier shall treat all production equipment with due care.

9.4 Supplier shall be obliged to strict confidentiality concerning all illustrations, drawings, calculations and other documents and information received. They may only be disclosed to third parties with our express approval. The obligation to confidentiality shall also survive the handling of the present contract; it shall expire if and insofar as the production knowledge contained in the illustrations, drawings, calculations and other documents has become public domain. This shall also apply to all documents which Supplier possesses on our behalf pursuant to Section 9.3.

9.5 Supplier may not notify third parties of orders placed by us to the extent that no statutory obligation exists in this regard or we have agreed in writing.

9.6 Insofar as the collateral rights accruing to us pursuant to sub-section (1) and/or sub-section (2) exceed the purchase price of all our conditional commodities not yet paid for by more than 10%, we shall be obliged, upon request by Supplier, to release the collateral rights at our option.

10. Applicable law, place of jurisdiction, place of performance

10.1 The business relationships as well as the entire legal relationships between Supplier and ourselves shall be governed by the law of the Federal Republic of Germany. UN purchase law shall be ruled out.

10.1 Insofar as Supplier is a businessperson, our registered office shall be place of jurisdiction; however, we shall also be entitled to sue Supplier at the court competent for its place of residence.

10.2 To the extent that nothing to the contrary results from the order confirmation, our registered office shall be place of performance.