

General Conditions of Purchase of Frauenthal Automotive, Air tank division

I. Area of application

1. As far as nothing else has been agreed to in writing, the legal relationship between the supplier and the purchaser is governed by the following conditions.
2. Any contrary conditions of the supplier only apply if these have been explicitly recognised in writing. This also applies if the purchaser does not explicitly oppose the conditions contained or referred to in the offer or in the order confirmation. The acceptance of the delivery or service does not constitute the purchaser's consent of the supplier's conditions.
3. For the rest, legal provisions apply.

II. Order

1. Only written orders are legally binding. Verbal agreements require the written confirmation by the purchaser.
2. Every order is to be immediately confirmed in writing by the supplier.
3. If the order is not confirmed within 2 weeks after the date of the order, the purchaser is no longer committed to the order.

III. Prices

1. Prices agreed on are fixed prices and are valid, as far as nothing else has been agreed to in writing, free delivery to the delivery address stipulated in the order.
2. If prices are not stated on the face of this Purchase Order, Supplier will offer its lowest prices subject to written acceptance by Frauenthal.
3. Unless otherwise provided on the face of Purchase Order, the prices include all packaging and freight to the specified delivery point, applicable taxes and other government charges including, but not limited to, all sales, use of excise taxes; and all customs, duties fees or charges.

IV. Delivery

1. As far as nothing else has been agreed to in writing, delivery is free to the delivery address stipulated in the order. Transport risk, freight and ancillary costs are borne by the supplier. In the case of an agreed acceptance, for which the supplier bears the costs, risk is only transferred on such acceptance.
2. Insofar as Supplier and Purchaser agree validity of one "Incoterms" of the International Chamber of Commerce (ICC) for the contract, the currently valid version thereof shall apply. Unless otherwise agreed in writing, the supply/service shall be delivered duty paid (Incoterms: DDP) to the place of delivery/performance or use indicated in the Purchase Order.
3. Immediately after despatch, the purchaser must receive the shipping documents in duplicate for each consignment. Despatch notifications must contain accurate information on the content and list the individual weights, positions, etc. The Purchase Order number(s) must appear on all correspondence, shipping labels, and shipping documents, including all packing sheets, bills of lading and air waybill.
4. As far as these are approved by the purchaser, part deliveries are to be indicated as such in the shipping documents.
5. The custo or his representative must confirm the correct receipt of all deliveries at the delivery address. A delivery to a different delivery address than that stipulated by the purchaser in the order even then does not cause a transfer of risk if the delivery is accepted at this address.
6. All costs incurred as a result of non-compliance of these forwarding instructions are for the account of the supplier.

V. Packaging

1. Packaging is only paid by the purchaser if it has been explicitly agreed in writing.
2. All items will be packaged in accordance with Frauenthal's instructions or, if none are specified, in accordance with good commercial practice in a manner sufficient to ensure environmental incident.
3. All containers will be properly marked for identification per the instructions on Frauenthal's Purchase Order and contain a packing slip that details, at a minimum, the Frauenthal Purchase Order number(s), product part number, detailed product description, total number of boxes in shipment, quantity of product shipped, and final delivery address.
4. The packaging can be returned at the supplier's expense only if this is clearly indicated in the delivery documents; if this marking

is absent the packaging material might be destroyed immediately at the purchaser and the supplier's claim for a return expires.

VI. Frauenthal – Supplied Materials, Tooling, Equipment and Technical Data

1. Title to any material, equipment or technical data that Frauenthal pays for or provides to Supplier, including replacements thereof ("Frauenthal Property"), will remain or vest with Frauenthal.
2. Supplier will conspicuously label Frauenthal Property as such, maintain it in good condition, keep written records of the Frauenthal Property in its possession and the location of such property, not allow any liens to be placed upon it, and not change its location without prior written approval from Frauenthal. Supplier is responsible for inspecting and determining that Frauenthal Property is in useable and acceptable condition.
3. Supplier will use Frauenthal Property exclusively for the performance of Frauenthal Purchase Orders unless otherwise authorized in written by Frauenthal's procurement representative.
4. Supplier is responsible for any loss, damage, or destruction of Frauenthal Property and any loss, damage or destruction of any third party property resulting from Supplier's negligent use of Frauenthal Property.
5. Supplier will not include the cost on any insurance for Frauenthal Property in the prices charged under Purchase Order.
6. Supplier will return Frauenthal Property or dispose of it at Frauenthal's sole option in accordance with Frauenthal's written directions.

VII. Invoicing and payment

1. Invoices are to be submitted in one edition, separately - i.e. not with the delivery - to Frauenthal. Invoices for part consignments are to be marked as such. Invoices must contain the Frauenthal contract number and the delivery note number
2. As far as nothing else is agreed to, invoices are due within 30 days with a deduction of 2% discount or 60 days net following receipt of the goods respectively the services performed and the receipt of the examinable invoices.

VIII. Claim for defects

1. Deliveries and services must correspond to the agreed state at the time of the transfer of risk.
2. For all deliveries and services the supplier must adhere to the relevant valid legal, authoritative and trade association and other provisions.
3. The purchaser will report defects to the deliveries and services as soon as they have been detected according to the conditions of proper business procedure; in this respect the supplier waives the objection of a delayed claim for defects
4. The purchaser's rights are subject to the legal provisions. These become statute-barred two years after handover respectively the delivery as far as the law does not allow for a longer provision. In addition the following applies: If the supplier does not comply with his obligation to remove the defects in spite of a reasonable extension, the purchaser is entitled to remove the defects himself and to request the replacement of the required expenses as far as the supplier does not refuse the repair due to unreasonably high costs.

IX. Inspections

1. All goods may be inspected and tested by Frauenthal at all reasonable times and places. If such inspection or testing is made on Supplier's premises, Supplier will provide, without additional charge, all reasonable facilities and assistance required for such inspections and tests.
2. Frauenthal may inspect 100% or a sample of Goods, at Frauenthal's option, and may reject all or any portion of the Goods or lot of Goods if Frauenthal determines them to be defective or non conforming. If Frauenthal performs any inspection due to discovery of defective on non-conforming Goods, any additional inspection costs will be paid by Supplier.
3. If the Goods are defective or otherwise not in conformity with the requirements of this Purchase Order, Frauenthal may, by written notice to Supplier: (a) rescind this Purchase Order as to such Goods; (b) accept such Goods at an equitable reduction in price; (c) reject such Goods and require the delivery of replacements. Delivery of replacements will be accompanied by a written notice specifying that such Goods are replacement. If supplier fails to deliver required replacements promptly, Frauenthal may correct any retained defective or nonconforming Goods at Supplier's expense replace them with Goods from another supplier and charge the Supplier the cost thereof; including cover, and any incidental costs; or terminate Purchase Order for cause

X. Warranty

1. Supplier warrants to Frauenthal, that, upon delivery, and during the entire Warranty Period, all Goods furnished will (a) be free from defects in material, workmanship, designs, even if the design has been approved by Frauenthal, (b) conform to applicable drawings, design,

quality control plans, specifications and samples and other descriptions furnished or specified by Frauenthal, (c) be merchantable, (d) be fit for intended purposes to the the Goods are not of a detailed design furnished by Frauenthal and operate as intended, (e) comply will all applicable national and local laws, (f) be free and clear of any and all liens, restrictions, reservations, security interests or encumbrances and (g) not infringe any patent, published patent application, or other intellectual property rights of any third party existing as of the date of delivery, and not utilize misappropriate third party trade secret information.

2. These conditions also remain fully effective even in the case of legally ineffective single provisions. The ineffective provisions are to be replaced by such provisions that come closest in terms of commercial success.

3. Advertising the existing business relationship with the purchaser may only take place with the purchaser's written approval.

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XI. Industrial Property Rights

1. The supplier undertakes that no rights of third parties are infringed upon in case of contractual use of his supply, regardless of the countries in which these rights exist.

2. In the event of an infringement of industrial property rights, for which the supplier is liable according to item 1, he shall exempt Frauenthal and their customer from any claims whatsoever from third parties.

3. The supplier is entitled to a corresponding exemption claim against Frauenthal and its customers to the extent that the supplier has produced the supplied goods in accordance with drawings, models or other specifications made available by Frauenthal and its customers and is not aware or does not have to be aware that this infringes the industrial property rights of third parties.

4. The duty of exemption refers to all applications which necessarily accrue to the contractual partner from or in connection with the recourse by a third party.

XII. Assignment, transfer of the contract execution

1. Without the explicit written approval by Frauenthal which may not be unreasonably withheld, the supplier may not assign or partially transfer or allow to be executed either his rights or his obligations arising out of the order to a third party.

XIII. Delivery date

1. Delivery dates agreed to with the purchaser are to be absolutely adhered to; decisive for the meeting the delivery date is the receipt of the goods at the delivery address stipulated in the order. In the event the delivery date is not met, the purchaser is entitled after a reasonable extension to withdraw from the contract or, if a culpable breach of duty exists to assert a claim for damages instead of the performance. The right to claim damages due to a justifiable delay remains unaffected.

2. A premature delivery only affects the terms of payment bound to the original delivery date if this has been explicitly agreed to.

3. If the purchaser is unable to fulfil, or hindered in fulfilling, his contractual obligations due to an Act of God, strikes or a lockout, the purchaser can cancel the contract in its entirety or in part or request its execution at a later point in time without this resulting in the supplier making any claims against the purchaser.

XIV. Notice of Delay

1. Whenever anything delays or threatens to delay the timely performance of Purchase Order, Supplier must immediately notify Frauenthal in writing of all relevant information with respect to such delay.

XV. Changes

1. Frauenthal may, by written or electronic notification, direct changes in the drawings, designs, specifications, method of shipment or packing, quantity, or time or place of delivery of the Goods; reschedule the services; or require additional or diminished services. Only authorized Frauenthal procurement representatives may issue changes to the Purchase Order. If any change causes an increase or decrease in the cost of, or the time required for, performing the Purchase Order, an equitable adjustment for reasonable costs will be made in the Purchase Order price, delivery dates or both and the Purchase Order will be modified in writing or electronically accordingly.

XVI. Design and Process Changes

1. Supplier will make no changes to the design, materials, manufacturing location, or processes specified in the Purchase Order or documents referenced therein, or if none, those in place at time of issuance of the Purchase Order, without the advance written approval of Frauenthal's procurement representative. Changes to a process include, but are not limited to, changes to the production process, changes in manufacturing equipment or changes between a manual and automated process. This requirement applies whether or not there is a cost impact associated with the change and regardless of the type of change, including product improvements.

XVII. General

1. If insolvency proceedings are instituted against the assets of one of the contractual partners or an application to institute insolvency proceedings is rejected due to an insufficiency of assets or if the insolvency court orders safeguarding measures after the application for insolvency proceedings, the other contractual partner is entitled to withdraw from the contract with regard to the non-fulfilled portion of the contract.