

General Terms of Purchase of the IFA Group and all affiliated companies with the location in Europe

I. Decisive terms and conditions

The legal relationships between the contractor and the customer are oriented to these terms and conditions and possible other agreements. Amendments and supplementations shall require a written form. Other General Business Terms shall not apply even if these were not explicitly objected to in an individual case.

II. Order

1. Supply contracts (order and acceptance) and delivery schedules as well as their changes and supplementations require a written form. Delivery schedules can also be carried out by remote data transmission.

2. If the contractor does not accept the order within three weeks after the receipt the customer is entitled to revocation. Delivery schedules will become binding no later than if the contractor does not object within two weeks after the receipt.

3. The customer can request changes to the object of delivery with regard to construction and design within the scope of that which is deemed reasonable for the contractor. The implications, in particular with regard to the additional and shortfall in costs as well as the delivery dates, are to be reasonably regulated by mutual agreement.

III. Payment

1. The payment shall be carried out, insofar verifiable invoices are available to the customer, according to the terms of payment agreed in the supply contract / order.

With the acceptance of premature deliveries the maturity will be oriented to the agreed delivery date.

2. The payment is carried out by bank transfer.

3. In case of a faulty delivery the customer is entitled to withhold the payment pro rata of the value until the proper fulfillment.

4. Without the prior written consent of the customer, which may not be unreasonably refused, the contractor is not entitled to assign its claims against it or have these collected by third parties. The consent shall be deemed as granted with the existence of an extended reservation of title.

If the contractor assigns its claim against the customer to a third party without its consent contrary to Sentence 1, the assignment will nevertheless be effective. However, the customer can at its choice make payment to the contractor or the third party with discharging effect.

IV. Report of defects

The customer has to report defects to the delivery to the contractor immediately in writing as soon as they are determined according to the conditions of a proper course of business. The contractor insofar waives the objection of the late report of defects.

V. Confidentiality

1. The contractual partners undertake to treat all non-obvious commercial and technical details, of which they become aware due to the business relationships, as a business secret.

2. Drawings, models, templates, samples and similar objects may not be handed over or otherwise made accessible to unauthorised third parties.

The reproduction of such objects is only permitted within the framework of the operational requirements and the provisions under copyright law.

3. Subcontractors are to be obliged accordingly.

4. The contractual partners may only advertise with their business relationship with a prior written consent.

VI. Delivery dates and deadlines / quality of delivery

1. Agreed dates and deadlines are binding. Decisive for the adherence to the delivery date or the delivery deadline is the receipt of the goods by the customer. If delivery "free factory" has not been agreed the contractor has to make the goods available in time by taking the customary time for loading and shipment into consideration. The delivery times at the customer are to be adhered to accordingly.

2. It is to be ensured that the delivery note and correspondingly further agreed accompanying documents are received by the customer in time.

3. The packaging has to ensure that damages to the goods in transit are avoided and stipulations under environmental law are complied with.

VII. Delay in delivery

1. The contractor is obliged to compensate the customer for damages due to default. This shall not apply to missed profit and damages from business interruption.

2. In case of slight negligence, the damages shall be limited to additional freight costs, retrofitting costs and after the unsuccessful setting of a final deadline or with the lapse of the interest in the delivery to the additional expenses for covering purchases.

VIII. Force majeure

Force majeure, industrial disputes, civil commotion, official measures and other unforeseeable, unavoidable and serious events shall release the contractual partners from the performance obligations for the duration of the interference and in the scope of its effect. This shall also apply if these events occur at a time, at which the contractual partner concerned is in default. The contractual partners are obliged to provide the necessary information immediately within the framework of that which is deemed reasonable and to adjust their obligations to the changed circumstances in good faith.

IX. Quality and documentation

1. The contractor has to comply with the recognised rules of technology, the safety, environmental and energy regulations as well as the agreed technical data for its deliveries.

Changes to the object of delivery shall require a prior written consent of the customer.

For the initial sample inspection reference is made to the VDA document "Volume 2 assurance of the quality of deliveries – selection of contractor/production process and product release PPF.

Only after the customer has accepted the samples, is it possible to begin with the serial delivery. Irrespective thereof the contractor has to constantly examine the quality of the objects of delivery. The contractual partners will reciprocally inform each other about the possibilities for improving quality.

2. If the type and scope of the tests as well as the test means and methods are not firmly agreed between the contractor and the customer, if the customer is willing at the request of the contractor, within the scope of its knowledge, experience and possibilities, to discuss the tests with it in order to determine the respective necessary status of testing technology. In addition, the customer will inform the contractor upon request about the relevant safety regulations.

For further information regarding measurement and test processes reference is made to the VDA document "Volume 5 test process suitability, suitability of measurement systems, measurement and test processes, extended measurement uncertainty, conformity assessment"

3. With the features in the technical documents or especially marked by a separate agreement, for example with "D", the contractor additionally has to record in special records, when, in which manner and by whom the objects of delivery have been tested with regard to the features, which are liable to documentation and which results were produced in the required quality tests. The test documents are to be stored for at least fifteen years and to be submitted to the customer if required. The contractor has to obligate sub-suppliers to the same extent within the scope of the statutory possibilities. For the documentation and archiving reference is made to the document "Volume 1 Documentation and archiving guidelines for the documentation and archiving of quality requirements" as well as the VDA document "Process description special features (BM)".

4. Insofar as authorities, which are responsible for motor vehicle safety, exhaust gas provisions, etc., request the right to inspect the production flow and the test documents of the customer in order to subsequently check certain requirements, the contractor declares that it is willing at the

request of the customer to grant them the same rights in its plant and to provide all reasonable support hereby.

5. It is essential to comply with the ecological design guidelines in the respective valid version with energy-operated products or products, which are relevant to energy consumption.

The environmental as well as the energy management system of the customer at the Haldensleben location are certified according to ISO 14001 and ISO 50001. The customer refers to the respective valid version of its quality, environmental and energy policies under www.ifa-rotorion.de. With the procurement of energy services, products and equipment, which have or may have an implication on the essential use of energy, the assessment of the procurement is partly based on the energy-related service. Persons, who work for the contractor or at its order, must be aware of the environmental and energy policies of the customer and know their importance.

X. Liability for defects

1. With the delivery of faulty goods the customer can, if the respective statutory pre-requisites and the pre-requisites listed below exist and insofar as not otherwise agreed, request the following:

a) Before the start of production (processing or installation) the customer initially has to give the contractor the opportunity to sort out as well as to remedy the defects or to provide subsequent (substitute) delivery unless this is deemed unreasonable for the customer. If the contractor cannot carry this out or if it does not satisfy this immediately the customer can insofar cancel the contract without setting a further deadline and return the goods at the risk of the contractor. In urgent cases it can remedy the defect itself or have this carried out by a third party after coordination with the contractor.

Costs incurred hereby shall be borne by the contractor. If the same goods are repeatedly delivered in a fault condition the customer is entitled to cancellation after a written warning with a renewed faulty delivery also for the unfulfilled scope of delivery.

b) If the fault is only determined after the start of production despite complying with the obligation according to Section IV (Report of defects) the customer can - according to Section 439 Par. 1, 3 and 4 BGB [German Civil Code] request subsequent fulfilment and reimbursement of the transport costs, which are necessary for the purpose of subsequent fulfilment (without towing costs) as well as dismantling and installation costs (labour costs; material costs insofar as agreed) or reduce the purchase price.

c) In case of a culpable breach of obligation, which goes beyond the delivery of faulty goods, (e.g. with an obligation for clarification, consultancy or inspection) the customer can request compensation for the thus resulting follow-up damages of a defect and the follow-up damages due to a defect reimbursement by the customer to its clients pursuant to the law according to Section XI. Follow-up damages due to a defect is the damage, which the customer suffered itself due to the delivery of faulty goods to other legal assets than the goods themselves. The customer will only have further claims for expenses and damages owing to the delivery of faulty goods from Section 437 BGB or directly from the regulations stated therein if this has been agreed as per contract. In case of agreements that are to be newly concluded Section XV Subclause 1 is to be complied with.

2. The parts which are to be replaced by it are to be made available to the contractor upon request and at its costs by the customer immediately.

3. Claims from liability for defects shall become statute-barred with the expiry of 24 months after the first vehicle registration or installation of spare parts, by no later however than after the expiry of 30 months after delivery to the customer. The legal statute-of-limitations shall apply to goods for commercial vehicles, if not otherwise agreed.

4. Claims for defects shall not be established if the fault is a result of a breach of operating, service and installation regulations, unsuitable or improper use, faulty or negligent treatment and natural wear and tear as well as interventions

in the object of delivery carried out by the customer or third parties.

5. In case of faulty deliveries claims of the customer from the Product Liability Act, illicit act and management without an order shall remain unaffected by this Section X. Guarantees for condition and durability must be explicitly described in detail in writing as such.

XI. Liability

Insofar as no other liability regulation has been agreed upon in another place of these terms and conditions, the contractor is only obliged to compensate for damages as follows, which the customer suffers directly or indirectly as a result of a faulty delivery, owing to the breach of official safety regulations or for any other legal reasons which are to be attributed to the contractor.

1. The obligation for damages principally only exists if the contractor bears a fault for the damages caused by it.

2. If a claim is asserted against the customer owing to liability irrespective of fault towards third parties according to non-exclusive law, the contractor will assume responsibility towards the customer to the extent that it would also be directly liable. The principles of Section 254 BGB shall apply accordingly to the compensation for damages between the customer and contractor. This shall also apply to the event of a direct assertion of a claim against the contractor.

3. The obligation for compensation is excluded insofar as the customer on its part has effectively restricted the liability towards its buyer. The customer will make an effort to also agree upon liability restrictions to an extent as admissible by law for the benefit of the contractor.

4. Claims of the customer are excluded accordingly as the damages are a result of breaches of operating, service and installation regulations, unsuitable or improper use, faulty or negligent repair, natural wear and tear, which are to be attributed to the customer.

5. For measures of the customer in order to avoid damages (e.g. recall action) the contractor will be liable insofar as it is obliged by law.

6. The customer will inform and consult the contractor immediately and in full if it intends to assert a claim against it according to the aforementioned regulations. It has to give the contractor the opportunity to examine the damaging event.

The contractual partners will coordinate about the measures which are to be taken, in particular in case of settlement negotiations.

7. The principles laid down in Section VII Subclause 1 are to be applied accordingly insofar as there is no or insufficient insurance of the contractor.

XII. Property rights

1. The contractor will be liable for claims, which arise with the use of the objects of delivery as per contract from the infringement of property rights and property right applications (property rights), of which at least one of the property right family has been published either in the home country of the contractor, by the European Patent Office or in one of the states the Federal Republic of Germany, France, Great Britain, Austria or the USA.

2. It shall indemnify the customer and its buyers from all claims from the use of such property rights.

3. This shall not apply insofar as the contractor has produced the objects of delivery according to drawings or models handed over by the customer or other descriptions or details of the customer, which are equivalent hereto, and do not know or in connection with the products developed by it does not have to know that property rights are infringed hereby.

4. Insofar as the contractor is not liable according to Subclause 3, the customer shall indemnify it from all claims of third parties.

5. The contractual partners undertake to inform themselves immediately of risks of infringement and alleged infringement cases of which they become aware and to give each other the opportunity to counteract corresponding claims by mutual agreement.

6. Upon request of the customer the contractor will report the use of published and unpublished own and of licensed

property rights and property right applications to the object of delivery.

7. The principles contained in Section VII Subclause 1 concerning the limitation of liability are to be applied accordingly.

XIII. Use of production means and confidential information of the customer

Models, mattresses, templates, samples, tools and other production means, as well as confidential details, which are made available to the contractor by the customer or which are paid by it in full, may only be used for deliveries to third parties with the prior written consent of the customer.

XIV. Reservation of title

The contractor reserves the property to all goods delivered by it until the full payment;

All deliveries shall be deemed a connected delivery transaction. In case of current account the reserved property shall be deemed as security for its balance claim.

If the goods are connected by the customer with other objects to form a uniform object and if the other object is to be seen as the main object, the customer is obliged to assign pro rata co-ownership to the contractor insofar as the main object belongs to it. If the customer resells the delivered goods as intended it hereby now already assigns the claims established from the sale against its buyers with all secondary rights to the contract until the full redemption of all of its claims.

For justified reason the customer is obliged at the contractor's request to announce the assignment to the third party buyer and to provide the contractor with the information that is necessary to assert its rights and to hand over documents.

The contractor will release the securities held by it to the extent that their value exceeds the claims which are to be secured by more than a total of 20 %.

XV. General provisions

1. With the determination of the amount of the claims for compensation that are to be fulfilled by the contractor according to Sections VII, X, XI and XII the financial conditions of the contractors, type, scope and duration of the business relationship, possible contributions to cause and/or fault of the customer according to Section 254 BGB and a particularly unfavourable installation situation of the supplied part are to be reasonably taken into consideration for the benefit of the contractor. In particular the compensation payments, costs and expenses, which the contractor should bear, must be reasonably in proportion to the value of the delivered part.

2. If one contractual partner suspends its payments or if insolvency proceedings are opened over its assets or an application filed for out-of-court composition proceedings then the respective other party is entitled to cancel the contract for the unfulfilled part.

3. Should one provision of these terms and conditions and the other agreements which were reached be or become invalid this shall have no effect on the validity of the contract on the whole. The contractual partners undertake to replace the invalid provision by a regulation that shall as far as possible correspond with it with regard to the commercial success.

4. The law of the Federal Republic of Germany shall apply exclusively insofar as not otherwise agreed.

The application of the Convention of the United Nations of 11.4.1980 on Contracts for the International Sale of Goods is excluded.

5. The place of performance is the registered seat of the customer. Another agreement may be reached for the delivery.

6. The place of jurisdiction is the registered seat of the plaintiff or another court of jurisdiction.