



General Terms and Conditions of Purchase

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Created by	A. Käfer

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1. General provisions

- 1.1. We place our orders in each case on the basis of these General Terms and Conditions of Purchase. They shall also apply to all future business transactions with the Contractor. We do not recognise Contractor's contrary or diverging terms and conditions except with our express prior written consent.
- 1.2. Our General Terms and Conditions of Purchase shall only apply with regard to business persons, legal entities under public law or special public funds.
- 1.3. Only written orders furnished with our signature shall be valid. This shall not apply to release orders based on framework agreements involving ongoing delivery. All agreements that are reached between us and the Contractor for the purpose of performing a contract must be set forth in writing in this contract.

3. Prices

The prices stated are fixed prices excluding statutory value-added tax. Unless provided otherwise in a written agreement, the prices stated shall include free delivery to the place of delivery specified by us including all ancillary and packaging costs. The Supplier is not entitled to make price changes.

4. Dates for delivery and service provision

Agreed dates and periods of delivery and service provision are binding; in the event of a failure to observe these dates and periods default shall be deemed to occur. Observance of the agreed dates and periods of delivery and service provision shall be determined by the receipt of the goods and the shipping documents at the place of delivery specified by us.

In the event of default by the Contractor, the statutory provisions shall apply. In addition, the Contractor must notify us without delay of any possible non-observance of the agreed date or period of delivery or service provision stating the reason and the probable duration thereof.

In the event of non-observance of the agreed date or period of delivery or service provision by the Contractor as a result of force majeure or no-fault industrial action we may either demand the execution of the order at a later time, without the Contractor incurring claims based on this, or, after the expiry of an appropriate grace period to no avail, withdraw from the contract in whole or in part.

The condition of the availability of supplies and raw materials and restrictions of the liability for default are hereby repudiated.

Failure to observe the agreed dates or periods of delivery shall entitle us, even without setting an additional grace period for compliance, to deduct a contractual penalty of one per cent (1 %) of the value of the goods ordered for each commenced week of delayed delivery, however at most five per cent (5 %). The unconditional acceptance of a delayed delivery shall not entail a cancellation of the contractual penalty.

5. Packaging, shipping, acceptance, passing of risk

- 5.1. The Contractor is liable for suitable packaging.
- 5.2. Shipping shall be carried out by the Contractor on a freight-and-insurance-paid basis to the place of delivery specified by us, in accordance with Incoterms (DDP) as amended. If we bear the shipping costs by virtue of a separate agreement diverging from the contract, and there is no instruction regarding the mode of shipment, the least expensive shipping mode shall be chosen taking into account the urgency of the case.
- 5.3. Each consignment must be accompanied by a delivery note. The shipping documents must include our order data. If, upon receipt of the delivery item, we have not received proper shipping documents or our order data is incorrectly stated, all additional costs thereby incurred shall be borne by the Contractor.
- 5.4. If it is impossible or unreasonable for us to accept the delivery item or the work as a result of force majeure or other circumstances for which we are not responsible, including industrial action, we shall be entitled to specify a different place of delivery to the Contractor. The Contractor shall be reimbursed for any additional costs incurred upon furnishing evidence of these costs.
- 5.5. In the case of delivery of excessive or insufficient quantities of goods as well as in the event of premature delivery we reserve the right to refuse acceptance of the delivered goods with all costs arising from such non-acceptance being borne by the Contractor. We shall be entitled to adapt the date for payment accordingly.
- 5.6. All risks shall pass to us only after delivery and acceptance of the goods at our premises or at the agreed place of performance. The Contractor shall bear all risks up to this point.

6. Production inspections, final inspections

- 6.1. We reserve the right, during production and prior to the delivery, to inspect the quality of the material used, the dimensional and quantitative accuracy and any other quality of the manufactured parts as well as their compliance with other specifications of the order in the factory of the Contractor or of its outside suppliers.
- 6.2. If we have reserved the right to a final inspection of the finished delivery item or work at the factory of the Contractor to be carried out by us and/or an authorised third party, we and/or the authorised third party must be notified in writing of the readiness for final inspection at least fourteen (14) days beforehand.
- 6.3. Except for the costs for the personnel sent by us, the costs for the production inspections and final inspections shall be borne by the Supplier. The production inspections and the final inspections shall not release the Contractor from its performance and warranty obligations.

7. Assignment, retention of title

- 7.1. Without our prior written consent, the Contractor may not assign its contractual claims either in whole or in part to third parties.



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This shall not affect section 354a of the German Commercial Code [*Handelsgesetzbuch* (HGB)].

- 7.2. We shall have the unrestricted right to set off or to refuse performance.
- 7.3. Only Contractor's simple retention of title with regard to its deliveries shall be recognized by us. According to this, the deliveries shall remain the property of the Contractor until their complete payment. We shall be entitled to resell goods subject to retention of title in the normal course of business; any assignment by way of pledge, or transfer or assignment by way of security shall, however, not be permitted. If any delivered items are conjoined by us with other items to form a unified item with such other items having to be considered as the main item, we shall be obliged to grant proportional co-ownership to the Contractor if the main item belongs to us. Any further security interests to the benefit of the Contractor, in particular any extension and/or renewal of the retention of title, are expressly rejected by us.

8. Warranty

- 8.1. We shall be entitled without restriction to the statutory warranty rights. Our warranty claims shall not become time-barred before the expiry of two (2) years as of delivery or acceptance.
- 8.2. In the case of sales contracts or contracts for work and services involving fungible goods made of material provided by the Contractor, we may, at our choice, require the Contractor to remedy defects or deliver a substitute. In such cases, the Contractor shall be obliged to bear all expenses required for the purpose of remedying defects or delivering a substitute.
- 8.3. In the event of contracts for work and services involving the use of material provided by us, we shall not be obliged to carry out an inspection and make a complaint in respect of any defects in accordance with sections 377 et seq. HGB. In the event of supply contracts the notice period for making complaints shall be at least two (2) weeks. If the goods have been delivered to a third party in accordance with the terms of the contract, these set periods shall apply accordingly subject to the proviso that they shall start to run only upon the moment of timely notification by the third party to us. Defects that cannot be detected despite taking random samples shall be considered as hidden defects.

9. Invoice and payment

Invoices for deliveries must not be enclosed with the consignment. Payments shall be made only after acceptance of the delivery or the service performed. Unless provided otherwise in a written agreement, payment shall be made after 30 days at 3 % discount or after 90 days net, calculated as of delivery or acceptance and receipt of the invoice. Our set-off and retention rights may neither be excluded nor restricted.

10. Permission of use of supporting documents, advertising, confidentiality

- 10.1. Any tools, equipment, models, samples, drawings or other documents made available to the Contractor or its representatives or vicarious agents or manufactured by them in accordance with our specifications shall remain our property and may only be used for preparing the offer and executing the order and may not be made available to third parties without our prior written consent. They must be safeguarded by the Contractor free of charge and at its own risk. They must be returned to us without delay, if requested, after finishing our inquiry, or, unrequested, after execution of the order.
- 10.2. The drawings, descriptions, etc. relating to the order are binding for the Contractor; however, it must inspect these for any discrepancies and report any detected or presumed errors to us in writing without delay; failing this, it may no longer invoke these discrepancies/errors at a later time. The Contractor shall be solely responsible for all drawings, plans and calculations created by it, even if these are approved by us.
- 10.3. The use of our inquiries, orders, order conformations and any associated written correspondence for advertising purposes is not permitted.
- 10.4. The Contractor shall maintain confidentiality towards third parties about all company processes, installations, plants, etc. at our and our customer's premises which become known to it in connection with its activity for us. This obligation shall remain effective even after submission of the offers and/or completion of the orders concerned. The Contractor shall impose corresponding obligations on its representatives and vicarious agents.

11. Third party property rights

The Contractor is responsible for third party rights, in particular property rights such as patents, trademarks or utility models, not being violated by the deliveries and/or services or the use of any delivered goods. The liability shall not exist with regard to any foreign property rights if the Contractor had no knowledge or was not required to have any knowledge of the country for which the deliveries were intended.

The Contractor undertakes to indemnify us against all third party claims arising out of any alleged violation of rights and reimburse any expenses incurred in connection with this.

12. Liability, insurance

- 12.1. We shall be entitled without restriction to all statutory rights to damages.
- 12.2. If the Contractor is responsible for any product damage, it undertakes to indemnify us on first demand against third party claims for damages insofar as the cause lies in its sphere of control or organization and it is liable itself in its relationship to the third party.
- 12.3. In this context, the Contractor shall also be obliged to reimburse any expenses pursuant to sections 670 and 683 of the German Civil Code [*Bürgerliches Gesetzbuch* (BGB)], which result from or in connection with a recall campaign carried out by us, that was caused by any product damage falling under Contractor's responsibility. We shall inform the Contractor as far as possible and reasonable about the content and scope of such recall actions to be carried out and give it the opportunity to deliver an opinion.
- 12.4. The Contractor undertakes to take out and maintain insurance for property damage, personal injury and pecuniary losses, including for claims based on product liability, with an amount covered of at least € 2.5 million per personal injury / property damage claim and such amount being payable in a lump sum; if we are entitled to any further claims for damages, these shall not be affected. Documentary proof of the insurance cover must be furnished to us on demand.



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13 Legal invalidity, place of performance, place of jurisdiction, applicable law

- 13.1. Should one of the provisions contained herein be invalid, this shall not affect the validity of the remaining provisions.
- 13.2. The place of performance for deliveries and service provision shall be the place specified by us. The place of payment shall be Schelklingen. Place of jurisdiction for all disputes resulting from the respective contract or contractual relationship shall be Ulm, if the Supplier is a registered merchant [*Vollkaufmann*] in accordance with the HGB. However, we shall also be entitled to bring an action against the Contractor at its general legal venue.
- 13.3. German law shall apply exclusively – to the exclusion in particular of the Agreement on contracts for the international sale of movable tangible goods, the United Nations Convention on Contracts for the International Sales of Goods (CISG) and the international private law.
- 13.4. Pursuant to section 28 of the German Federal Data Protection Act [*Bundesdatenschutzgesetz (BDSG)*], we point out that we save the Contractor's data in accordance with the terms of the BDSG.

Accepted and agreed

For and on behalf of:

Cooper Standard Automotive Deutschland GmbH
and the companies of the Cooper Standard Automotive – group

For and on behalf of:
