



As of: July 2012

P u r c h a s e C o n d i t i o n s

Our orders shall be subject solely to the Conditions of Purchase of ACE Advanced Composite Engineering GmbH as described below, provided that no other conditions have been agreed upon in writing.

1.1. General Terms

Orders as well as amendments made over the telephone or verbally, changes and side agreements are only legally binding for the Customer if they are confirmed in writing, which also includes emails. A waiver of the written form requirements must also be made in writing. In the event that individual provisions in these conditions of purchase are or become invalid, then this shall not affect the validity of the conditions of purchase in their entirety. The invalid or impractical clause shall be replaced with a valid and practical clause, which most closely reflects the invalid or impractical clause from a commercial point of view.

1.2. Deviations from the agreed Business Conditions

By accepting our order, the Supplier thus agrees to abide by these conditions of purchase. If our order is confirmed by the Supplier on conditions deviating from our conditions, our conditions continue to retain sole validity, even if we do not object. Deviations therefrom thus apply only if they are expressly acknowledged by us in writing. If the Supplier does not consent to our conditions, it has to immediately express so in writing on a separate cover note. We reserve the right in this case to cancel the Contract. In future transactions with current Suppliers, our conditions shall apply, even if no further reference is made to them.

2. Confirmation of Order

The Supplier shall be required to confirm our order in writing within a deadline of two weeks at the latest. If we do not receive the order confirmation within the deadline stipulated, we reserve the right to cancel the order. If you do not receive written cancellation from us, the order shall remain as was agreed. In addition to the order confirmation, the performance of the order, in particular the delivery and partial delivery or the acceptance of payments, shall be considered as an unrestricted consent to these conditions of purchase.

3. Prices

Prices stated in the order are fixed, provided that no other prices were already agreed upon in writing.

4. Changes to Services

The Supplier shall give the Customer immediate written notification of any amendments/extensions to the scope of supplies or services which may prove necessary during realisation of the order. All alterations/enhancements require the prior written consent of the Customer.

Any requests to change the order made by the Customer shall be reviewed by the Supplier within five days to determine any possible consequences and the Customer shall be notified of the result in writing. In particular, effects on technical execution, on costs and on the time schedule must be pointed out to the Customer. If the Customer decides to proceed with the proposed changes, the Contract partners will alter the order accordingly.

5. Liability for Defects

The liability for defects shall begin on the day the delivered goods are first used. In any case, the liability for defects shall end at the latest 36 months after delivery of the goods to the Customer's premises.

The liability obligation shall cover:

- a) adherence to acknowledged technology regulations,
- b) correct functioning of all parts, and thus of the system,
- c) material quality,
- d) expert and qualitative execution of the work,
- e) compliance with the characteristics promised and other technical performance characteristics.

Claims for liability shall comply with our choice to cancel the contract, or to request improvements to or replacement of the defective parts. The Supplier shall cover transport costs or additional costs, such as costs for deinstallation/reinstallation, testing as well as any other costs incurred during correction of faults. The 36 month period covering liability for defects shall start again from the date when improved or replaced parts are first used.

If the Supplier does not immediately comply with its obligations to correct or replace defective parts, then we can assert appropriate liability rights without setting a further deadline. In urgent cases we are entitled at Supplier's cost to repair a defective delivery in-house or to commission a third party to effect them, or to procure a replacement from a third party. Objections due to late notification of defects are excluded; however the Supplier must have been notified of any defects within the meaning of this Contract at the latest 14 days after the liability period has expired. A notification of defects can thus also be raised if the goods have already been processed or delivered to the end user. The return of the rejected goods shall occur, provided that return is at the sole risk and expense of the Supplier.

6. Customer's Audit Rights

The Customer reserves the right to be informed at any time (in accordance to the contract) of performance during running production, to inspect performance documents, to be assured that delivery deadlines will be met and to ask for any other necessary information so as to ensure the delivery complies with the Contract. If the Customer carries out tests on the delivery item on the Supplier's premises, then the Supplier shall make the necessary equipment available to the Customer at no cost.

7. Extraordinary Termination of the Contract and Residual Payment

The Customer has the right to cancel this contract in part or in full without giving reason. Application of Section 649 of the German Civil Code shall be excluded.

8. Supply

The delivery shall be made to the point of receipt agreed in the order or to the indicated delivery address. Designated delivery periods or specific days of delivery must be adhered to exactly in all circumstances. For any non-observation of a delivery period, the Customer is not obliged to give the Supplier an extension. The Customer must be informed of any obstacles preventing prompt delivery when they occur or are first foreseen as well as the duration of the delay, so that other arrangements can be made in time, if so required. The Customer must be immediately shown evidence of the obstacles indicated, if so requested. Force majeure, industrial disputes, government measures or other unavoidable events shall release the Customer from the obligation to take delivery of the item supplied for the duration of disruption. The transfer of risks shall occur when the Customer accepts and acknowledges receipt of the delivery. The Customer shall notify the Supplier immediately of any consignment defects detected in the course of normal business operations. To this extent, the Supplier waives the objection to delayed notification of defects.

Partial delivery is not permitted, unless expressly agreed otherwise. In this case, the Customer will be entitled to cancel the remaining delivery. If by way of a supplementary service the order includes the installation or assembly of a product then such installation or assembly must be formally accepted. This may only be given after a test phase has been successfully completed in accordance with separate conditions from the Customer. If no such conditions are agreed, the delivery item shall be considered as accepted with the Supplier's certificate of operational readiness to be signed by the Customer. Payment by the Customer does not signify that the delivery item was accepted by the Customer.



9. Packing, Dispatch and Certificate of Origin

Unless otherwise agreed, the goods to be supplied have to be packed in a merchantable and proper manner or the Supplier must, at the request of the Customer, provide the Customer with packaging as stipulated in the Customer instructions or pack the goods in packaging provided by the Customer. The supplier shall be liable for any damage caused as a result of defective packaging. The Customer's valid general shipping conditions shall be applicable during shipping.

If the goods manufactured by the Supplier for the Customer are required for export, the Supplier shall be required to provide a written declaration concerning the customs origin of the delivery items. The Customer must be supplied with this declaration on the date of the first delivery at the latest. The origin of newly included delivery items or a change or origin must be shown to the Customer immediately and without having been requested. The Supplier shall be liable for any damages incurred by Customer as a result of incorrect or delayed submission of the Supplier's declaration. Where required, the Supplier must provide proof of its details pertaining to the origin of the goods by means of an information sheet certified by its customs office.

10. Supply of Spare Parts

a) The obligation to supply spare parts ends 10 years after delivery of the last item as stipulated in the Contract.

b) If the Supplier stops manufacturing these spare parts, then it shall be required to inform its main Customers and the Customer in writing at least one year prior to this cessation.

11. Terms of Payment

Invoices must be sent to the Customer after dispatch of the delivery items. Unless otherwise agreed, payment shall be made within 60 days strictly net of receipt of the goods with all the required documents and after receipt of the due and verifiable invoice. In the case of the acceptance of early deliveries, the due date shall depend on the agreed delivery date. Payment shall be deemed as complete on receipt of our instructions from our representatives from the bank. Without our written consent, the Supplier can transfer its existing claims against us, either fully or partially, to a third party. The same applies for the anticipatory assignment of future claims.

12. Quality and Documentation

The Supplier shall observe approved rules of technology, security regulations and the stipulated technical data for the Supplier's deliveries and services. Changes to the items supplied require the prior written consent of the Customer. The first sample test is governed by the VDA Volume 2 "Ensuring the Quality of Supplies" as well as by QS-9000 "PPAP", as it currently stands. The Supplier shall act independently in ensuring the necessary quality levels are complied with. The contractual parties shall exchange information about the possibility of quality improvement. If the type and scope of tests and the test equipment and methods have not been firmly agreed between the supplier and Customer, the Customer is prepared, at the request of the Supplier, and within the limits of Customer's knowledge, experience and possibilities, to discuss the tests with the Supplier in order to determine the desired standard of test technology. The Customer shall also provide the Supplier with information on the relevant Safety Regulations if requested.

In the event any authorities responsible for vehicle safety, aircraft safety, emissions and the like, demand inspection of the manufacturing process and disclosure of the test records of the Customer, to scrutinize certain requirements, the Supplier shall allow, upon request of the Customer, the relevant authorities to inspect the Supplier's operations and to provide every reasonable support therewith.

13. Ownership, Supply

The Customer only recognises the Supplier's simple reservation of ownership. Provided the parts are made available by the supplier, we shall retain the title here. Processing of or modification to the supplied goods shall be undertaken by the Supplier. If goods provided by the Customer are processed or combined with others goods which are not included in the Customer's ownership, then the Customer acquires co-title to the new item in the ratio of the value of the goods provided. If the amalgamation is done in such a way that the Supplier's objects are considered as the main objects, it is understood that the Supplier shall assign proportional joint ownership to the Customer; the Supplier shall hold sole or joint ownership for the Customer.

14. Specific Obligations of the Supplier

According to the Customer's information, designs and models semi-finished and finished goods should only be supplied to the Customer. The delivery cannot be performed by a third party, if the equipment for the manufacturing, i.e. installation, was obtained at the Supplier's cost, the acceptance of defected parts excluded was rejected or other orders by the Customer are no longer placed. Provided that this particular equipment is not required in the delivery of spare parts in accordance with point 10, the Supplier shall be required to destroy or alter said equipment, so that it can no longer be used in the manufacture of similar goods. The Supplier shall also not loan such equipment to others without altering it first. After order processing, the Supplier must return to the Customer, which having been requested to do so, all designs which were loaned to it as well as other manufacturing documents including all copies made in the meantime.

15. Type Specific Tool (TST)

If type specific tools are manufactured/procured within the framework of this order, then the cost of the servicing and on-going maintenance are included in the price. The Supplier shall provide the Customer with evidence, listing the intended use, value and source of the manufactured/procured type specific tools within four weeks after commencement of mass production. Provided that type specific tools are fully paid for, they must no longer be included in the sale price of repeat orders or orders of spare parts. If the ownership of type specific tools is not determined in a separate type specific tool contract or in the order, then all the type specific tools created during the commissioned order are the property of the Customer.

16. Property Rights

The Supplier shall grant the Customer the non-exclusive, free, transferrable right to all the property rights used during the manufacturing of the delivery items as well as the property right applications, designs and other know-how. The Supplier shall hold the Customer free of any and all claims of possible ownership of property rights.

17. Transferral of Rights of Use

The rights of use cannot be transferred to a third party without the written consent of the Customer.

18. Confidentiality/Advertising

The Supplier undertakes to treat with confidentiality all commercial and technical details not commonly known and which become known to it in the course of the business relation. Designs, models, patterns, samples and similar objects shall not be made available or otherwise be made accessible to unauthorised third parties. The reproduction of such items is only permitted within the framework of operational requirements and the copyright stipulations. Subcontractors must agree to abide by the same obligations. The Supplier may only advertise its business relationship with the Customer with the prior written permission of the latter.

19. Other Conditions of the Order

If a claim is made to the Customer by a third party on grounds of mandatory statutory regulations (i.e. in accordance with product liability) and the reason for making the claim lies in the Supplier's delivery item or in the actions of agents and assistants acting on behalf of the Supplier, then the Supplier shall release the Customer from any such claim, also if the claim is not supported under German Law.

20. Place of Performance

Place of performance for the delivery is the destination specified in the current order. Place of performance for payment is Immenstaad, location of the Customer's offices.

21. Place of Jurisdiction

The exclusive place of jurisdiction for all disputes arising directly or indirectly from this contractual relationship is Immenstaad. The Law of the Federal Republic of Germany shall exclusively apply to all legal relations between the Supplier and the Customer; the United Nations Convention on Contracts for the International Sale of Goods shall not be applicable. If the incoterms are agreed, these shall apply when drawing up the delivery clauses in their currently valid form.