

## **General Terms and Conditions of Purchase of HÖR Technologie GmbH**

### **1 - General Provisions – Area of Application**

- (1) Our Terms and Conditions of Purchase are applicable on an exclusive basis; we do not recognise any terms and conditions of suppliers contradicting or deviating from our Terms and Conditions of Purchase, unless we expressly confirmed their application in writing. Our Terms and Conditions of Purchase shall apply also in the event that we accept the supplier's delivery without reservations being aware of terms and conditions of business of the supplier contradicting or deviating from our Terms and Conditions of Purchase.
- (2) All agreements made between us and the supplier in relation to the performance of this contract shall be recorded in writing in this contract.
- (3) Our Terms and Conditions and Purchase are only applicable to merchants (Kaufleute) as defined in the German Commercial Code.
- (4) Our Terms and Conditions of Purchase also apply to all eventual transactions with the supplier.

### **2 - Offer – Offer Documents**

- (1) The supplier shall accept our purchase order within a period of 2 weeks.
- (2) We reserve our title and copyrights to illustrations, drawings, calculations and other documentation; they must not be disclosed to any third parties, unless with our express written consent. They shall be used exclusively for the manufacture based on our purchase order; once the purchase order has been processed, they shall be returned to us without request. They shall be kept secret from third parties.

### **3 - Prices – Terms of Payment**

- (1) The price shown in the purchase order is binding. In the absence of any written agreement providing otherwise, the price includes delivery "free domicile", including packaging. The return of the packaging requires a separate agreement.
- (2) The statutory value added tax is included in the price.
- (3) We can process invoices only if – in line with the requirements in our purchase order – the order number shown in the purchase order is indicated in the invoice; the supplier shall be responsible for all consequences caused due to the non-compliance with this duty.
- (4) Unless agreed otherwise in writing, we will pay the purchase price within 14 days counted as of the date of delivery either with a discount of 3% upon the receipt of the invoice or the net amount within 60 days upon receipt of the invoice.
- (5) We have set-off and retention rights to the extent as provided by law.

#### **4 - Delivery Period**

- (1) The delivery period indicated in the purchase order is binding.
- (2) The supplier shall inform us immediately if circumstances occur or if the supplier can recognise circumstances suggesting that the stipulated delivery period cannot be met.
- (3) In the event of default of delivery we are entitled to the statutory claims. In particular, upon the effectless expiration of a reasonable period of grace, we have the right to claim damages *in lieu* of performance and rescind the contract.

#### **5 - Passing of the Risk - Documents**

- (1) Unless agreed otherwise in writing, delivery shall be made “free domicile”.
- (2) The supplier shall accurately indicate our purchase order number on all shipping documents and bills of delivery; if the supplier fails to do so, delays in the processing are unavoidable for which we are not responsible.

#### **6 - Claims/Rights**

- (1) We are entitled to the statutory claims for defects without any limitation; the foregoing notwithstanding, we are basically entitled to opt for requesting the supplier to either remove the defect or provide replacement. In such a case the supplier shall bear all the costs required to remove the defect or provide replacement. We expressly reserve our right to damage compensation, especially the right to damages *in lieu* of performance.
- (2) The warranty period is 36 months calculated as of the passing of the risk.

#### **7 - Product Liability – Indemnification**

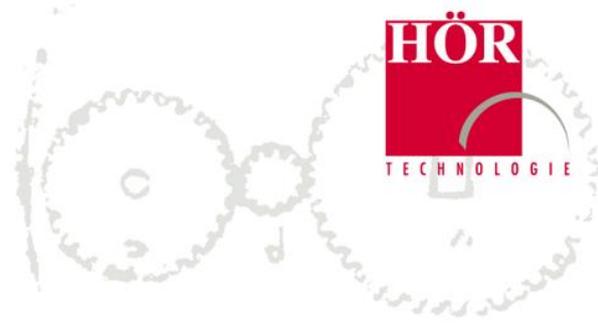
- (1) If the supplier is responsible for a defect of the product, the supplier shall indemnify us against any third-party damage claims on the first request to the extent in which the cause is within the supplier’s control and organisational ambit and the supplier itself is liable in the exterior relationship.
- (2) In this context the supplier shall also reimburse expenses, if any, incurred under or in connection with any recall programme we carry out, provided that the claim is not based on sections 830, 840 BGB (German Civil Code) in combination with sections 426, 254 BGB. We will inform the supplier of the content and the scope of the recall programme to be carried out – to the extent as possible and reasonable – and offer the supplier the opportunity to present its view.

## **8 - Property Rights**

- (1)** The supplier is responsible for the fact that no third-party rights are violated in connection with its delivery in the Federal Republic of Germany, unless the supplier can prove that it is not to be held responsible for the violation of duty.
- (2)** If we should be faced with any third-party claims in this respect, the supplier shall indemnify us against such claims on our first written request; we have no right to enter into any type of agreement, in particular no settlement with such third party, unless with the supplier's consent.
- (3)** The supplier's indemnification duty extends to all expenses we incur inevitably under or in connection with the third-party claim, unless the supplier proves that it is not to be held responsible for such expenses.

## **9 - Reservation of Title – Provisioning – Tools – Non-Disclosure**

- (1)** If we provide parts to the supplier we retain our title to such parts. The processing or conversion by the supplier is made on our behalf. If our goods under reservation are processed with other items we do not own, we acquire the co-ownership in the new item in the proportion of the value of our item compared with the other processed items at the time of processing.
- (2)** If the item we provided is combined in an inseparable manner with other items not owned by us, then we shall obtain the co-ownership to the new item in the proportion of the value of the item under reservation as compared with the other combined items at the date of combination. If the combination is made in a manner that the supplier's item is to be regarded as the main thing, it is deemed agreed that the supplier assigns to us the co-ownership on a proportional basis. The supplier shall safeguard the sole ownership or co-ownership for us.
- (3)** We reserve our title to tools; the supplier shall use the tools exclusively for the manufacture of the goods we ordered. The supplier shall take out insurance cover at its own expense for the tools we own against fire, water and theft in the amount of the replacement value. The supplier shall carry out maintenance and inspection work, if required, at its own expense and in a timely manner. The supplier shall inform us immediately of any incidents; if the supplier fails to do so in a culpable manner, damage claims shall not be affected. Tools shall be labelled as our property. For this purpose the supplier receives a HÖR inventory number which shall be firmly affixed to the tool in a visible position in form of an engraving or a solid type plate.
- (4)** The supplier shall keep strictly secret all illustrations, drawings, calculations and other documents and information received. They shall not be disclosed to any third parties unless with our express written consent. The duty of non-disclosure shall also apply after the end of this contract; it will expire once and to the extent in which the manufacturing knowledge contained in the provided illustrations, drawings, calculation and other documents has become generally known.



#### **10 - Venue of Court – Place of Performance – Law**

- (1)** If the supplier is a merchant, our place of business shall be the venue of court; we have the right, however, to sue the supplier also at the court of his place of business.
- (2)** Unless resulting otherwise from the order confirmation, our place of business shall be the place of performance.
- (3)** German law shall govern.