

General Terms and Conditions of Purchase

As of: 08/2017

I. Relevant Conditions

1. These General Terms and Conditions of Purchase shall form the basis for requests, orders, etc., of the Hanwha Advanced Materials Germany GmbH (hereafter referred to as the "Principal") and shall apply exclusively. Contrary or additional terms and conditions of the supplier, contractor, service provider, etc. (hereafter referred to as the "Contractor") shall be expressly rejected. They shall only apply if the Principal expressly agrees to them or to parts of them in writing.
2. Until the announcement of updated terms and conditions, these General Terms and Conditions of Purchase shall apply, even if they are not expressly agreed upon again.
3. The type and scope of the mutual services shall be determined by the following order:
 - a. The regulations of the request or the order
 - b. The additional contract terms stated in the request or the order (other applicable documents)
 - c. The other general terms and conditions of the P (e.g., shipping terms)
 - d. Special and general technical terms and conditions of the P (e.g., guidelines)
 - e. These General Terms and Conditions of Purchase

If required, the above-stated terms and conditions may be requested at any time through the procurement department of the P.

4. Any agreements that establish, change or supplement the contract object shall require the written permission of the procurement department of the Principal. Any costs incurred prior to this shall not be covered.

II. Construction Service Requests, Offers, Exemption Certificates in Accordance With Section 48 of the German Income Tax Act [Einkommenssteuergesetz]

1. Requests shall be generally non-binding. Offers must be submitted free of charge.
2. In accordance with Section 48 of the German Income Tax Act, the Contractor must provide a readable copy—or the original document in case of order-related confirmation—of a valid exemption certificate in accordance with Section 48 b of the German Income Tax when placing an order. Otherwise, the offer may not be considered in further awarding procedures.
3. The Contractor must report any changes to the submitted certification (e.g., revocation, withdrawal) to the Principal in writing without delay.
4. Should claims nonetheless be asserted against the Principal via a liability notice despite the submission of an exemption certificate, the Contractor must release the Principal from any such claims by the tax office, unless these two-pronged claims are based on gross negligence, intent or omissions by the Principal. Furthermore, the Contractor must reimburse the Principal for any fines imposed on the Principal in this relation.

III. Orders, Call-Offs, Changes

1. Delivery contracts (orders and acceptances) and call-offs as well as changes and additions to them must be issued in writing. However, call-offs may also be made through remote data transmission.
2. If the Contractor does not accept the order within 3 weeks of its receipt, the Principal may revoke it. Call-offs shall become binding, at the latest, if the Contractor does not object to them within two weeks of their receipt.
3. Should a company of the Principal commission the Contractor in the name and for the account of the respective company, call-offs may also be performed by the respective company that commissioned the Contractor.
4. The Principal may demand reasonable changes to the construction of the delivery object. When doing so, the implications, especially on additional or reduced costs as well as on the delivery dates, must be regulated appropriately and mutually.

IV. Shipping, Delivery Notes, Invoicing, Proof of Origin

1. The type of delivery shall be specified by the Principal in the respective order, especially by referring to the according commercial terms. If related, INCOTERMS shall apply in their respectively applicable form at the time of the order or, if necessary, modified by the shipping terms of the Principal.
2. An invoice must be issued in paper form for each delivery note. In accordance with Section 14(4) of the German VAT Act [Umsatzsteuergesetz], invoices must include the following information:
 - Name and address of the company making the delivery or performing the service
 - Name and address of the purchaser of the delivery or service
 - Quantity and customary market description of the delivered objects or the type and scope of the service
 - Date of delivery or performance of other services or service periods
 - Fee for the delivery or other service
 - Amount of tax for the fee
 - Applicable tax rate or notice of tax exemption
 - Issued tax number or, for deliveries within the EC, the VAT ID number
 - Date of issuance of the invoice
 - Ongoing number consisting of one or several series of numbers (may only be issued once)
 - In case of payment prior to the performance of the service, the date on which the advance payment was made
 - Any previously agreed to reduction of the fee, unless already considered in the fee (e.g., bonus agreements)
 - Reverse charges to the service recipient for construction services: e.g., "As the recipient of the service, you are required to assume the VAT under Section 13 b(1) Sentence 1 Number 4 of the German VAT Act."

Invoices must be issued to the financial accounting department of the Principal separately from the goods. Incomplete invoices shall be rejected.

3. Empties not labeled as such on delivery notes (container number or carrier number) shall become the property of the Principal without charge.
4. The Contractor must issue a written declaration (supplier declaration) on the customs origin of the delivered goods (standard material) using a template provided by the Principal. This declaration must be submitted to the Principal with the first delivery at the latest.
5. The origin of newly included delivery objects or changes of origin must be reported to the Principal without delay or solicitation. The Contractor shall be liable for any expenses and damages incurred by the Principal through improper or late submission of the declaration in Number 4. Insofar as required, the Contractor must confirm his statements on the origin of the goods via an information certificate of his customs office.

V. Payment

1. When accepting early deliveries, the due date shall be determined by the agreed delivery date.
2. Payments shall be made via transfers, checks or credit note procedures.
3. If a company of the Principal commissions the Contractor in the name and for the account of the respective other company, payments to the Contractor may also be performed directly by the respective company that commissioned the Contractor.
4. In case of incorrect deliveries, the Principal may withhold payment until orderly completion of the delivery.
5. Without the prior written permission of the Principal which may not be denied unreasonably, the Contractor may not assign his claims against the Principal or have them collected by third parties. In case of extended retention of title, permission shall be deemed to have been granted. Should the Contractor assign his claims against the Principal to a third party contrary to Sentence 1, the assignment shall nonetheless be effective. However, the Contractor may not provide payment to the Principal or to the third party with discharging effect.

VI. Defect Notification

1. The Principal must report any defects of the delivery to the Contractor in writing as soon as they are discovered during the orderly course of business. The Contractor shall therefore waive the defense of late objections to defects.

VII. Confidentiality

1. The contract partners must treat any non-disclosed commercial and technical details of which they obtain knowledge through this business relationship as business secrets. The Contractor shall be required to reimburse the Principal for any damages the Principal incurs due to breaches of these confidentiality obligations.
2. Drawings, sketches, models, stencils, samples, matrices and similar objects, tools or other production materials as well as confidential information and construction data may not be provided or made accessible to unauthorized third parties. Their reproduction shall only be permitted for operational requirements and under property rights regulations.
3. The third parties commissioned by the Contractor in accordance with Numeral X of these General Terms and Conditions must be subjected to the same obligations.
4. The Contractor may only use his business relationship with the Principal for advertisements with the prior written permission of the Principal. This shall especially apply to inclusions in reference lists or the like.

VIII. Delivery Dates, Delivery Periods

1. Agreed dates and periods—especially the delivery deadlines stated in the respective order or call-off—shall be binding. Whether a delivery date or period was met shall be determined by the receipt of the goods by the Principal.
2. The Contractor may only perform partial deliveries / services with the written permission of the Principal.
3. The Contractor must notify the Principal in writing without delay if circumstances occur or if it becomes foreseeable to the Contractor that the delivery deadline cannot be met.

IX. Delivery Delays

1. When delivering product materials, the Contractor shall be liable to the Principal in case of delays as follows:
 - a. The Contractor shall be required to reimburse the Principal for damages incurred due to the delay.
 - b. In case of simple negligence, damage compensation shall be limited to additional freight costs, retrofitting costs and, after a grace period passes unsuccessfully or if interest in the delivery is lost, the additional expenses for covering purchases.
 - c. The Contractor shall be liable for any other deliveries and services caused by delays in accordance with statutory regulations.

X. Transfer of Contract Implementation

1. Without the express written permission of the Principal, the Contractor may not transfer the implementation of the contract to a third party (e.g., sub-contractors, sub-suppliers).
2. If the Principal granted his permission, the Contractor must subject the third party and ensure adherence to all obligations that the Contractor assumed towards the Principal. However, the Contractor shall retain overall responsibility towards the Principal for the services transferred to the third party by the Contractor.
3. Should the Contractor commission a third party to implement the contract without the prior written permission of the Principal, the Principal may withdraw from the contract and / or assert damage compensation claims.
4. The Contractor may not prevent the third parties commissioned by him for the implementation of the contract from concluding agreements with the Principal on other deliveries / services. Exclusivity agreements concluded by the Contractor to prevent the Principal or the third party from obtaining deliveries / services which the Principal requires or the third party needs to fulfill such orders shall be especially prohibited.

XI. Moving Production Sites

1. Without the express written permission of the Principal, the Contractor may not move his respective production site for the production of product materials.
2. Should the Contractor move his production site for the production of product materials without the prior written permission of the Principal, the Principal may withdraw from or terminate the contract and / or assert damage compensation claims.

XII. Workers From Non-EU States

1. Should the Contractor or a third party commissioned by him in accordance with Numeral X commission workers from non-EU states, the Contractor must submit their respective work permits to the Principal prior to the commencement of their work.
2. Should the Contractor violate this obligation to submit work permits in accordance with Numeral XII Number 1., the Principal may withdraw from or terminate the contract and / or assert damage compensation claims.

XIII. German End-of-Life Vehicle Ordinance [Altfahrzeugverordnung], Environmental Protection, Safety, Health Protection

1. If the goods to be delivered by the Contractor are subject to the German End-of-Life Vehicle Ordinance, the Contractor must, while assuming any costs that may thereby be incurred by the Principal, adhere to the requirements of the Ordinance, especially to the substance prohibitions (e.g., Section 8(3) of the German End-of-Life Vehicle Ordinance in connection with Annex II of Directive 2000/53/EC) and demonstrate this to the Principal at any time upon request, update the respective IMDS (International Material Data System) with the respective material data and grant access to the Principal—or, at the Principal's request, directly to the Principal's client—at all times and provide the information under Section 9 and Section 10 of the German End-of-Life Vehicle Ordinance (dismantling information, information on proper construction and production for usage and recycling) for the services contractually assumed by the Contractor.

2. The Contractor must adhere to the relevant EC directives, national and official regulations and any company rules and requirements on environmental protection, safety and health protection for the services and deliveries to be performed by him. Especially machines and technical equipment must be delivered with instruction manuals and in accordance with Directive 2006/42/EC on machinery.

XIV. Price Adjustments

1. The Principal may review the prices of the Contractor by performing value analyses and conducting cost reduction measures at any time. Should the findings of these procedures lead the Principal to believe that adjustments to the Contractor's prices are required, the Principal shall notify the Contractor of this without delay, state the reasons for this and adjust the prices mutually with the Contractor. The Contractor shall be required to cooperate.

XV. Acceptance, Transfer of Risk

1. Should the Contractor owe services or deliveries to be carried out, formal acceptance must be performed.
2. If the review of a service requires commissioning or use for test purposes as part of the acceptance, formal acceptance shall only be performed after the successful completion of the test.
3. Risk shall only be transferred to the Principal after the delivery / services has been handed over to or accepted by the Principal or the third party commissioned by him.

XVI. Termination

1. The following shall apply to the termination of service, work performance or permanent supply contracts:
 - a. Should the contract be terminated by the Principal due to an important reason for which the Contractor is responsible, compensation must only be provided for the services performed, completed and demonstrated by the Contractor until the receipt of the termination notice if they are usable to the Principal. This shall also apply if the termination is issued by the Principal because the Contractor becomes insolvent or suspends his payments or if the launching of insolvency procedures or settlement proceedings are requested for the assets of the Contractor or one of his owners.
 - b. The assertion of damage compensation claims by the Principal shall remain unaffected. The Contractor must especially reimburse the Principal for any additional expenses he incurs due to the termination. The Contractor shall be granted no further claims due to the termination.
 - c. Should the contract be terminated by the Principal due to an important reason for which the Contractor is not responsible, the Principal shall reimburse the Contractor for any expenses demonstrably incurred and directly resulting from the order, including the costs resulting from escapable commitments, until the termination of the contract. The Contractor shall be granted no further claims due to the termination.
 - d. In case of a termination in accordance with Numerals XVI Letter b and Numeral XVI Letter c, ownership as well as property and / or usage rights for the work output produced until the termination and compensated by the Principal shall be transferred to the Principal.

XVII. Withdrawal

1. The Principal may withdraw from orders placed for deliveries (Section 433 of the German Civil Code [Bürgerliches Gesetzbuch]) for an important reason.
2. An important reason shall especially be present if insolvency or settlement procedures are requested for the Contractor, the requirements for insolvency or settlement procedures are met or if the Contractor fails to fulfill his rectification obligations within an appropriate grace period set in writing.

XVIII. Force Majeure

1. The occurrence of force majeure shall release the contract partners from their service obligations for the duration of the resulting disruption and to the extent of its implications. This shall also apply if the force majeure occurs at a time when the affected contract partner is in default. The contract partners must, within what is reasonable, provide the necessary information to each other without delay and adjust their obligations to the changed circumstances in good faith.
2. Force majeure shall be defined as any event that is unforeseeable, unavoidable and occurs outside of the control of the affected contract partner and prevents the or delays full or partial performance of his contractual obligations. Labor disputes shall be considered as cases of force majeure.

XIX. Quality Management

1. The Contractor must adhere to the recognized rules of technology, safety requirements and agreed technical data for his deliveries. Changes to the delivery object shall require the prior written permission of the Principal. The Contractor must establish and prove his maintenance of a quality management system (DIN EN ISO 9001 and ISO/TS 16949 or equal). The contract partners shall mutually inform each other about possibilities to improve the quality of the system, the processes and the products.
2. Both the Principal and his clients may review and evaluate the capabilities and / or services of the Contractor, if necessary, through an audit at the production plant of the Contractor. The audit may be performed as a system, process or product audit. The costs for the implementation and performance of measures to rectify the discovered objections shall be borne by the Contractor.
3. On the Principal's request, the Contractor must prepare an extensive report on the progress of the implemented improvement processes. The Contractor must also allow the Principal to audit sub-suppliers of the Contractor. Participation by the clients of the Principal in the improvement of weak points of sub-suppliers must be ensured by the Contractor.
4. If the type and scope of the tests or the test material or methods have not been set between the Contractor and the Principal, the Principal shall, within his knowledge, experience and abilities, be willing to, if demanded by the Contractor, explain the tests to the Contractor to determine the respectively required state of test technology. Furthermore, the Principal shall inform the Contractor about the relevant safety requirements if requested by the Contractor.
5. For deliveries and services for direct production material, the following regulations must also be adhered to by the Contractor:
 - a. The Contractor must apply the regulations of Volume 2 "Assuring the Quality of Deliveries" of the German Association of the Automotive Industry, VDA, in its respectively current form for his production processes and product approvals (initial sample presentation). The PPAP (production part approval process) set of rules of the QS9000 must be applied on the Principal's request. The Contractor must present the latest quality standard for the parts to be supplied to the Principal free of charge on request even during the development / pre-series phase for evaluation and coordination with other components using sample parts.
 - b. All characteristics for the fulfillment of the respective statutory regulations, any critical characteristics and—if stated in the technical documents—any characteristics that must be documented must be adhered to by the Contractor. The Contractor must ensure permanent adherence to the required specifications through suitable measures (e.g., product testing, process assurance, etc.). For this, the product and process characteristics to be monitored, the safety measures, the test material and methods and the related quality assurances shall be determined by the Contractor at his own responsibility. For this, any specifications of the Principal or his clients, safety methods and test material methods must be followed by the Contractor. The Contractor must prepare and manage monitoring plans for all products supplied by him.
 - c. The control plans must list in detail all applied quality assurance processes for each production level (from the receipt of the raw materials to shipping) that are performed to assure the quality of the products. The Principal shall have the right to inspect these control plans at any time.

- d. In his quality certifications, the Contractor must record when, in what form and by whom defect-free production was assured for each product. These certifications must be saved for 30 years and submitted to the Principal on request. This shall especially apply to characteristics that must be documented and to characteristics for the fulfillment of the respective statutory regulations. For instructions, please refer to Volume 1 "Guidelines on the Documentation and Archiving of Quality Requirements" of the German Association of the Automotive Industry (VDA) in its respectively current form.
- e. On the Principal's request, the Contractor must include the respective quality certification on the adherence to the required specifications with his deliveries. If officials responsible for vehicle safety, exhaust regulations, etc., demand inspection of the production process and test documents of the Principal to review certain requirements, the Contractor must grant the same rights to them for his operations and provide any reasonable support.
- f. Unless agreed to otherwise above, the—partially mentioned—volumes on "Quality Management in the Automotive Industry" of the German Association of the Automotive Industry in their respectively most recent edition shall apply additionally. All volumes are available from the German Association of the Automotive Industry (VDA).
- g. For production material, client-specific requirements must also be followed. These can be found on the website www.hanwhagermany.de.
- h. The Contractor shall be liable towards the Principal for any damages resulting from culpable non-adherence to these regulations or other agreements on quality management.

XX. Defect Liability

1. The following regulations on defect liability listed under Numeral XX Number 1 to Number 2 shall apply exclusively to deliveries of production material. For all other deliveries and services, the Contractor's defect liability shall—except for the following regulations under Numeral XX Number 3 to Number 6 and Numeral XXVI—follow statutory regulations.
2. Under the respective statutory requirements and the conditions listed hereafter, the Principal may, unless agreed to otherwise, demand the following for deliveries of defective goods:
 - a. Prior to the commencement of production (working or installing), the Principal must first provide the Contractor with an opportunity for sorting out and performing defect rectification or providing subsequent (replacement) deliveries, unless doing so would be unreasonable for the Principal. Should the Contractor be unable to do so or should he fail to do so without delay, the Contractor may withdraw from the contract without further notice and return the goods at the risk and for the account of the Contractor. In urgent cases, the Principal may, in coordination with the Contractor, perform the defect rectification himself or have it performed by a third party. Any costs resulting thereby shall be borne by the Contractor. If the same goods are repeatedly delivered with defects, the Principal may, after issuing a written warning, also withdraw from the contract for the scope of the non-fulfilled deliveries if he receives another defective delivery.
 - b. If defects are only discovered after production begins, despite adhering to the regulations of Numeral VI (Defect Notification), the Principal may, in accordance with Section 439(1, 3 and 4) of the German Civil Code, demand rectification and replacement to rectify the required transportation costs (without towing fees) and removal and installation costs (work fees; material costs, if agreed to) or reduce the purchase price.
 - c. In case of culpable breaches of (ancillary) duties beyond the delivery of defective goods, the Principal may demand compensation for the resulting damages or reimbursement for the compensation provided by the Principal for damages incurred by his clients in accordance with Numeral XXI. This compensation obligation shall also apply to consequential damages. Consequential damages are damages suffered by other legal assets of the Principal or his clients other than the contract object itself due to the defective service. Should new agreements have to be concluded, Numeral XXIX Number 1 must be observed.
 - d. The parts to be replaced by the Contractor must be supplied to the Contractor without delay by the Principal on the Contractor's request and for his account.
 - e. Defect liability claims shall expire 24 months after the first registration of a vehicle or installation of a replacement part and, for deliveries of machines, systems, tools or other services of the Contractor since formal final acceptance, at the latest, 30 months after the delivery to the P. Unless agreed to otherwise, the same statutory regulations on the statute of limitations shall apply to commercial vehicles. Apart from that, statutory regulations shall apply.

- f. Defect claims shall not be granted for defects that can be traced to violations of operating, maintenance or installation rules, unsuitable or improper use, incorrect or negligent treatment for which the Principal is responsible and for natural wear or measures performed on the delivery object by the Principal or a third party.
- g. In case of defective deliveries, claims granted to the Principal under the German Product Liability Act [Produkthaftungsgesetz] or due to unlawful acts and agency by necessity shall remain unaffected by the regulations of this Numeral XX. Quality and durability guarantees must be expressly described as such individually in writing.
- h. For special regulations on operating material, please see Numeral XXVI of these General Terms and Conditions.

XXI. Liability

1. The following regulations on liability shall apply exclusively to the delivery of production material.
2. Unless other liability regulations were concluded elsewhere in these General Terms and Conditions, the Contractor shall only be required to provide compensation for damages incurred by the Principal directly or indirectly due to a defective delivery or service, violations of official safety requirements or any other legal reasons for which the Contractor is responsible.
3. Damage compensation obligations shall generally only apply if the Contractor is responsible for the damages caused by him. Should claims be asserted against the Principal due to liability without fault for non-negotiable rights towards third parties, the Contractor shall be liable towards the Principal to the same extent that the Contractor would be directly liable otherwise. The regulations of Section 254 of the German Civil Code shall apply accordingly to damage compensation between the Principal and the Contractor. This shall also apply if claims are asserted directly against the Contractor.
4. Damage compensation obligations shall be excluded insofar as the Principal effectively limits his liability towards his clients. The Principal shall also try to conclude liability limitations for the Contractor to the legally permissible extent.
5. Claims of the Principal shall be excluded insofar as the damages can be traced to violations of operating, maintenance or installation rules, unsuitable or improper use, incorrect or negligent treatment, natural wear or faulty repairs for which the Principal is responsible.
6. The Contractor shall be liable for measures taken by the Principal to avoid damages (e.g., recalls) insofar as required of the Contractor by law.
7. The Principal shall notify and consult the Contractor in detail without delay if the Principal intends to assert claims against the Contractor in accordance with the above-stated regulations. The Principal must provide the Contractor with an opportunity to investigate the damage case. The contract partners shall coordinate any measures to be taken for any settlement actions.
8. The principles in Numeral IX must be applied accordingly if the Contractor has no or only insufficient insurance coverage. For all other deliveries and services, the Contractor's liability shall be determined by statutory regulations.

XXII. Property Rights

1. The Contractor shall be liable for claims resulting from violations of property rights or property rights registrations (property rights) during contractual use of the delivery objects of which at least one property right from the property rights family must have been published either in the country of the Contractor, by the European Patent Office or in the Federal Republic of Germany, France, Great Britain, Austria or the US.
2. The Contractor shall release the Principal and his clients from any claims due to the application of such property rights. However, this shall not apply if the Contractor produced the delivery objects according to drawings, models or similar descriptions or specifications provided by the Principal and did not know or was not required to know that property rights would be violated through the production of the products produced by the Contractor.
3. Insofar as the Contractor shall not be liable under Numeral XXII Number 2, the Principal shall release the Contractor from any third-party claims.
4. The contract partners must notify each other of any risks of violations and alleged cases of infringement without delay and provide each other with an opportunity to mutually counter any according claims.

5. Upon the Principal's request, the Contractor shall report his application of any of his published or unpublished property rights to or property rights registrations for the delivery object.
6. Should employees of the Contractor produce or participate in the creation of inventions during the implementation of the order of the contractually agreed services or for any other written, machine-readable or other work output to be produced as part of the contract for which property rights may have to be registered, the Contractor shall notify the Principal about this without delay. Should the Principal request unlimited utilization of the inventions, the Principal shall release the Contractor from any compensation claims of his employees to which they may be entitled under the German Employee Inventions Act [Arbeitnehmererfindergesetz].
7. In case unrestricted utilization is desired, the Contractor must appropriately ensure that rights to inventions of his employees shall be transferred to the Principal. The Principal must register property rights for any inventions for which he requested unlimited utilization. The Principal shall inform the Contractor if he wants to waive the registration. The Principal's compensation obligations shall end following the waiver of the property rights or property rights registrations. Any rights to the inventions, except for simple usage rights, shall be returned to the Contractor.
8. Should the Contractor employ a sub-contractor, the Contractor must ensure that any inventions created wholly or partially by the sub-contractor or his employees as part of the order implementation by the Contractor can be treated like inventions under Numeral XX Number 6. For this, the Contractor shall assume the notification obligations for inventions produced by the sub-contractor or his employees in coordination with the sub-contractor. The Contractor shall then immediately notify the Principal about such inventions. In his agreements, the Contractor must ensure that the transfer of the rights to such inventions by the Contractor to the Principal shall be possible.
9. In return, the Principal shall register property rights for such inventions for which the Principal requested utilization and, if applicable, pay the employee's invention compensation.
10. The Principal shall inform the Contractor if he wants to waive such registrations. The Principal's compensation obligations shall end following the waiver of the property rights. Any rights to the inventions, except for simple usage rights, shall be returned to the inventor or inventors.

XXIII. Use of Production Materials and Confidential Information of the Buyer

1. Models, matrices, stencils, samples, drawings, sketches, tools and other production materials as well as confidential information provided or paid in full to the Contractor by the Principal may only be used for deliveries to third parties with the prior written permission of the Principal.

XXIV. Assignment Prohibition

1. Assignments as well as other transfers of rights or obligations of the Contractor shall be excluded. Exceptions shall require the written permission of the Principal. The regulations of Numeral X Number 5 shall remain unaffected.

XXV. Retention of Title

1. The Contractor shall reserve the right to retain title to any goods delivered by him until they have been paid in full; for this, all deliveries shall be treated as a continuous delivery transaction. In case of ongoing billing, the reserved title shall secure the balance claim. If the Principal combines the goods with other objects to form a unified object and if the unified object must be considered to be the main object, the Principal must transfer proportional co-ownership to the Contractor insofar as the main object is owned by him.
2. Should the Principal sell the delivered goods as designated, he shall hereby already assign any claims against his clients due to the sale to the Contractor with all ancillary rights until all of his claims have been settled in full. For justified reason, the Principal must, on the Contractor's request, disclose the assignment to third-party buyers and provide any information and documents required for the assertion of his rights to the Contractor. The Contractor shall release any securities held by him if their value exceeds that of the claims to be secured by more than 20%.

XXVI. Additional Terms for Operating Material

1. Operating material shall be defined as any material for the production of a part / material, such as tools, devices, gages, master models, etc.

2. Upon being paid for, the operating material shall become the property of the Principal and must be labeled with his tool numbers. The operating material may only be used to implement orders of the Principal. The Principal shall reserve the right to transfer title to the operating material to his clients. On the Principal's request, the inventory number of the client must also be affixed to the operating material.
3. The Contractor shall be responsible for the treatment and storage. The Contractor must ensure that the operating material is always available without cost to the Principal. While the operating material is with the Contractor, the Contractor must insure it against fire, theft or other damages at its original value. On the Principal's request, the Contractor must submit the respective insurance policies to prove the extent of insurance coverage and demonstrate payment of the insurance premiums by submitting suitable documents (e.g., payment receipts) annually without solicitation for at least one future year. The Principal may also demand that the Contractor or a client of the Principal be included as the direct beneficiaries in individual insurance policies.
4. Drawings with material specifications and, if required by the Principal in individual cases, images with measurements that must always be available must be produced for all operating material. On the Principal's request, the Contractor must also hand over the respective CAD databases to the Principal.
5. Defect liability for the delivery of or work on operating material:
 - a. Should the Contractor fall behind with the performance of his contractual, particularly defect-free, services, the Principal may perform the required measures himself or have them performed by third parties for the account of the Contractor and irrespective of further guarantee rights. Any costs incurred thereby, e.g., for disassembly, assembly, freight, packaging, insurance, customs and other public duties, inspections and technical acceptance must be borne by the Contractor.
 - b. In the cases listed in the above Letter a, the Principal may, with prior announcement, withdraw the operating material from the Contractor or his sub-contractor to implement any further required measures. In these cases, the Contractor must package the operating material so that it is ready for shipping and make it available to be picked up without delay.
 - c. In the above-stated cases, the Principal may also perform or have the stated measures performed by third parties at the production sites of the Contractor or of his sub-contractors.

XXVII. Readiness for Delivery

1. For deliveries of production material, the Contractor must ensure availability at all times of the volumes delivered by him for the series for at least 15 years after production ends. The tools required for production must be stored for the stated period for the account of the Contractor.

XXVIII. Contractual Penalty Provision

1. The Principal may assert any contractual penalties, lump sum compensation, etc. agreed to until receipt of the final payment.

XXIX. General Provisions

1. When determining the amount of a compensation claim to be settled by the Contractor on the basis of a delivery contract for production material in accordance with Numerals IX, XX and XXI, the economic conditions of the Contractor, the type, scope and duration of the business relationship, any contributions to the cause and / or fault of the Principal under Section 254 of the German Civil Code and especially disadvantageous installations of delivered parts must be considered in favor of the Contractor. The indemnification, costs and expenditures to be borne by the Contractor must especially be in an appropriate proportion to the value of the supplied part. The regulations of this Number shall only apply to deliveries of production material. For all other deliveries and services, statutory regulations shall apply.
2. The law of the Federal Republic of Germany shall apply exclusively under exclusion of any conflict rules of German or international private law, unless agreed to otherwise. The applicability of the UN sales convention shall be excluded.
3. The Contractor shall be aware that the Principal shall save data from the contractual relationship for data processing purposes in accordance with Section 28 of the German Federal Data Protection Act [Bundesdatenschutzgesetz].
4. If in doubt, the German version of these General Terms and Conditions of Purchase shall have priority. The contract language shall be German.

5. The exclusive place of jurisdiction shall be the respective competent court of the registered office of the Principal. However, the Principal may also sue the Contractor at his business domicile.
6. Should a regulation of these General Terms and Conditions of Purchase or of the concluded agreements prove to be or become invalid, the validity of the contract as a whole shall remain unaffected. The contract partners must replace the invalid regulation with a regulation that most closely approximates its economic aims.