Terms and Conditions of Purchase

Applicable to business transactions with companies, legal entities under public law and special funds under public law.

1. General

Our Terms and Conditions of Purchase apply exclusively; general business terms and conditions of the supplier conflicting with or deviating from our Terms and Conditions of Purchase are only recognized insofar as we expressly agreed to them in writing. Acceptance or payment of goods and services from the supplier (hereinafter referred to as Products) does not constitute agreement.

2. Conclusion of and Modifications to the Contract

2.1 Orders, contracts and order releases as well as modifications and supplements thereto must be placed and made in writing.

2.2 Oral agreements of any kind – including subsequent modifications and supplements to our Terms and Conditions of Purchase – must be confirmed by us in writing to become effective.

2.3 The written form requirement is also deemed complied with if communications are sent by remote data transmission or facsimile transmission.

2.4 Cost estimates are binding and are not to be compensated unless otherwise expressly agreed.

2.5 We are entitled to cancel the order if the supplier does not accept the order within two weeks of receipt thereof.

2.6 Order releases within the framework of order and order release planning become binding if the supplier does not object within two working days of receipt thereof.

2.7 The Quality Assurance Guideline for Suppliers (QSL), the Logistics Manual and the Delivery and Packaging Specifications of Robert Bosch GmbH form an integral part of the contract.

3. Delivery

3.1 Deliveries deviating from our contracts and orders are only admissible if given our prior written approval.

3.2 Agreed periods and dates are binding. Punctual compliance with the delivery periods and delivery dates is determined by the date of receipt of the goods by us. Unless “Delivered Duty Unpaid” or “Delivered Duty Paid” is agreed (DDU or DDP Incoterms 2000), the supplier shall make the goods available in good time, taking account of the time for loading and shipment to be agreed with the forwarder.

3.3 If the supplier is responsible for setup or installation and unless otherwise agreed, the supplier shall bear all the necessary incidental costs such as travel expenses, provision of tools and daily allowances, subject to the reservation of divergent regulations.

3.4 The provisions of statute shall apply if agreed dates are not met. If the supplier anticipates difficulties with respect to production, the supply of precursor material, compliance with the delivery period or similar circumstances that could interfere with supplier’s ability to deliver punctually or to deliver the agreed quality, the supplier must immediately notify our ordering department.

3.5 The unconditional acceptance of a delayed delivery or service does not constitute a waiver of claims to which we are entitled due to the delayed delivery or service; this applies pending full payment of the amounts owed by us for the delivery or service in question.

3.6 Partial deliveries are inadmissible in principle unless we expressly agreed to them or can reasonably be expected to accept them.

3.7 The values established by us during the incoming goods inspection shall determine the quantities, weights and measurements subject to the reservation of different values being proved.

3.8 We have the right to use software belonging to the scope of delivery, including the software documentation, to a legally permissible extent.

3.9 We also have the right to use such software, including the software documentation, with the agreed performance characteristics and to the extent necessary for the use of the product in accordance with the agreement. We also have the right to make a backup copy even without an express agreement.

4. Force Majeure

Acts of God, labor disputes, operational disturbances without fault, unrest, governmental measures and other unavoidable events discharge us from our obligation to take punctual delivery for the duration of such event. During such events and for a two week period thereafter we are entitled – notwithstanding our other rights – to withdraw from the contract in whole or in part, provided that such events are not of inconsiderable duration and our requirements are considerably reduced as the goods have to be procured elsewhere as a result thereof.

5. Advice of Dispatch and Invoice

The details in our orders and order releases shall apply. An invoice showing the invoice number and other allocation references is to be sent in one copy to the respective printed mailing address; the invoice must not be enclosed with the shipments.

6. Pricing and Passing of Risk

Unless otherwise agreed, the prices are “Delivered Duty Paid” (DDP Incoterms 2000) including packaging. Value added tax (VAT) is not included. The supplier bears all risks of loss or of damage to the goods until the goods are received by us or by our representative at the location to which the goods are to be delivered in accordance with the contract.

7. Payment Terms

Unless otherwise agreed, the invoice shall be paid either within 20 days subject to deduction of a 3 % discount or within 30 days without any deduction, with effect from the due date of payment and receipt of both the invoice and the goods or performance of the service. Payment is subject to invoice verification.

8. Claims Based on Defects

8.1 Acceptance is effected subject to the reservation of an examination for faultlessness, in particular also including accuracy and completeness, insofar and as soon as this is pertinent in the ordinary course of business. We will give notice of any defects found immediately after their discovery. To this extent the supplier waives the objection to delayed notification of defects.

8.2 The provisions of statute relating to defects as to quality and defects of title apply except insofar as otherwise provided here in below.

8.3 In principle we have the right to select the type of supplementary performance. The supplier may refuse the type of supplementary performance we selected if it is only possible at disproportionate expense.

8.4 In the event that the supplier does not commence rectifying the defect immediately after our request to remedy it, in urgent cases, especially to ward off acute danger or to prevent greater damage, we are entitled to undertake such rectification ourselves or to have it undertaken by a third party at the expense of the supplier.

8.5 In case of defects of title, the supplier shall also hold us harmless from any third party claims possibly existing, unless the supplier is not accountable for the defect of title.

8.6 The limitation period for claims based on defects is 3 years – except in cases of fraudulent misrepresentation – unless the thing has been used in a building construction in accordance with its customary use and caused the defectiveness thereof. The limitation period commences when the Product is delivered (passing of risk).

8.7 If the supplier performs its obligation to effect supplementary performance by supplying a substitute product, the statute of limitations of the goods delivered in substitution shall start to run anew after delivery thereof

unless, when effecting the supplementary performance, the supplier explicitly and appropriately made the reservation that the substitute delivery was effected purely as good will, to avoid disputes or in the interests of continuation of the delivery relationship.

8.8 Should we incur expenses as a result of the defective delivery of the Product, in particular transport, carriage, labor costs, costs of material or costs of incoming goods control exceeding the normal scope of the control, such costs shall be borne by the supplier.

9. Product Liability and Recall

9.1 In the event a product liability claim is asserted against us, the supplier is obliged to hold us harmless from such claims if and to the extent the damage was caused by a defect in the Product supplied by the supplier. In cases of liability based on fault, this only applies, however, if the supplier is at fault. Insofar as the cause of the damage falls within the area of responsibility of the supplier, the supplier shall have the burden of proof to that extent.

9.2 In the cases of paragraph 9.1 above, the supplier assumes all costs and expenses, including the costs of any legal action.

9.3 In all other respects the provisions of statute shall apply.

9.4 Prior to any recall action which is partially or wholly due to a defect in a Product supplied by the supplier, we shall notify the supplier, give the supplier the opportunity to collaborate and discuss with the supplier the efficient conduct of the recall action, unless no notification of or collaboration by the supplier is possible on account of the particular urgency. The costs of the recall action shall be borne by the supplier insofar as a recall action is due to a defect in a Product supplied by the supplier.

10. Conducting Work

Persons who carry out work on our factory premises in fulfillment of the contract must observe the respective plant regulations. The liability for accidents suffered by these persons on our factory premises is excluded except to the extent caused by willful or gross negligent breach of duty by our legal representatives or persons employed in the performance of our obligations.

11. Provision of Materials

Materials, parts, containers and special packaging provided by us remain our property. These may only be used as designated. The materials are processed and parts assembled for us. It is agreed that we are co-owner of the products manufactured with our materials and parts in proportion to the value of the materials or parts provided in relation to the value of the whole product; such products shall be kept safe for us by the supplier to this extent.

12. Documentation and Confidentiality

12.1 The supplier shall keep confidential with respect to third parties all business and technical information made available by us (including features which may be derived from objects, documents or software provided and any other knowledge or experience) as long and to the extent that it is not proven public knowledge, and it may only be made available to those persons in the supplier's business facility who necessarily need to be involved in the use thereof for the purpose of delivery to us and who are also committed to confidentiality; the information remains our exclusive property. Without our prior written consent, such information must not be duplicated or exploited commercially – except for deliveries to us. At our request, all information originating from us (if appropriate also including any copies or records made) and loaned items must be, without undue delay, returned to us in full or destroyed.
We reserve all rights to such information (including copyright and the right to file for industrial property rights such as patents, utility models, semiconductor protection, etc.). In the event this is provided to us by third parties, the reservation of rights also applies for the benefit of such third parties.

12.2 Products manufactured on the basis of documentation drafted by us such as drawings, models and the like, or

based on our confidential information, or manufactured with our tools or with tools modeled on our tools, may neither be used by the supplier itself nor offered or supplied to third parties. This also applies analogously to our print orders.

13. Export Control and Customs

The supplier shall be obliged to inform us about any applicable (re-) export license requirements for the Products under German, European or US export control law and customs regulations as well as the export control law and customs regulations of the country of origin of the Products. Therefore, at least in his offers, order confirmations and invoices the supplier shall provide the following information with respect to the Products:

- export list number pursuant to Annex AL to the German Foreign Trade and Payments Regulation or any comparable export list information of applicable export lists
- ECCN (*Export Control Classification Number*) for US-goods (including technology and software) pursuant to the US Export Administration Regulations (*EAR*)
- country of origin of the Products and of the components thereof, including technology and software
- any transport of the Products through USA, manufacture or stocking of the Products in the USA and whether the Products have been manufactured by using US technology
- HS-Code of the Products
- a contact person in his organization to provide further information to us upon request.

Upon our request the supplier shall provide any other foreign trade data with respect to the Products and their components in written form and shall inform us on all changes to such data without undue delay and prior to supply to us.

14. Social Responsibility and Protection of the Environment

The supplier shall comply with the respective statutory provisions governing the treatment of employees, environmental protection and health and safety at work and to work on reducing the adverse effects of its activities on human beings and the environment. In this respect the supplier shall set up and further develop a management system in accordance with ISO 14001 within the realms of its possibilities. Further, the supplier shall comply with the principles of the UN Global Compact Initiative relating basically to the protection of international human rights, the right to collective bargaining, the abolition of forced labor and child labor, the elimination of discrimination when personnel is engaged and employed, the responsibility for the environment and the prevention of corruption. Further information on the UN Global Compact Initiative is available at: www.unglobalcompact.org.

15. Place of Performance

The place of performance is the place to which the goods are to be delivered in accordance with the contract or where the service is to be rendered.

16. Miscellaneous

16.1 If one of the provisions of these Terms and Conditions and of additional agreements reached should be or become ineffective, this shall not affect the validity of the Terms and Conditions in other respects. The parties hereto are obliged to agree upon a provision to replace the ineffective provision that approximates as closely as possible the economic intent of the ineffective provision.

16.2 The contractual relationships shall be governed exclusively by German law excluding the conflict of law provisions and the UN Convention on Contracts for the International Sale of Goods (CISG).

16.3 The venue for all legal disputes arising either directly or indirectly out of contractual relationships based on these Terms and Conditions of Purchase shall be Stuttgart. We further have the right to take legal action against the supplier at a court with jurisdiction over the registered office or branch office of the supplier or at the court with jurisdiction over the place of performance at our discretion.