

Robert Bosch Aktiengesellschaft

Terms and Conditions of Purchase (as of July 2007)

These Terms and Conditions apply to business transactions with companies, legal persons under public law and public-law special funds.

1. General

All contractual relations, in particular purchase contracts, contracts for works or services and work supply contracts shall be governed exclusively by our Terms and Conditions of Purchase. General Terms and Conditions of suppliers of goods or services (hereinafter called "Supplier") will only be accepted if such Terms and Conditions comply with our Terms and Conditions or if we have expressly agreed to the Supplier's Terms and Conditions in writing. The acceptance of goods or of the performance or delivery of works and services from the Supplier (hereinafter called "object of the contract") or payment thereof shall not be construed as an agreement.

2. Contract Conclusion and Contract Amendment

- 2.1 Purchase orders, conclusions and delivery call-offs, their amendments and additions as well as amendments to the underlying contract including the present Terms and Conditions of Purchase and of the requirement of written form itself shall require written form. The same applies to possible terminations of the contract.
- 2.2 Any verbal agreements – including subsequent amendments and additions to our Terms and Conditions of Purchase and to this written form clause – require our written confirmation.
- 2.3 The requirement of written form can be met by remote data transmission or fax transmission.
- 2.4 Cost estimates shall be binding and will not be remunerated unless such remuneration is agreed upon in writing.

- 2.5 If the Supplier fails to accept the purchase order within two weeks of receipt, we shall be entitled to cancel said order.
- 2.6 Delivery call-offs as part of an order and call-off schedule shall be confirmed by the Supplier and shall become fully binding unless the Supplier expressly objects within two working days following their transmission.
- 2.7 The Quality Assurance Guidelines for Suppliers, the logistics manual and the delivery and packaging regulations of Robert Bosch Aktiengesellschaft and of the BOSCH group shall be an integral part of this contract.

3. Delivery

- 3.1 Deviations from our conclusions and purchase orders shall require our prior written consent. The Supplier shall effect delivery to the destination specified by us. The destination location is stated in the purchase orders or in other order documents originating from us. For purchase orders placed by the Hallein production plant, delivery shall be made on the dates specified in the single call-off schedules or in the delivery schedules, unless otherwise agreed.
- 3.2 Agreed dates and deadlines shall be binding. The effective date of delivery for determining the delivery date or the delivery deadline shall be the date of receipt of the goods at the destination. Unless delivery "free works" (DDU or DDP according to Incoterms 2000) was agreed, the Supplier shall make the goods available in good time, taking into account the time required by the forwarding agency for loading and shipping.
- 3.3 If the Supplier has taken on the assembly or installation and unless otherwise agreed, the Supplier shall bear all necessary incidental costs such as travel expenses, provision of tools and field allowances, subject to regulations.
- 3.4 On non-compliance with time or place of performance, the Supplier shall be obligated to pay us a contractual penalty in the amount of 5% of the agreed gross purchase price or the gross compensation for work per working day for the duration of the

incomplete performance. Such contractual penalty shall not be subject to reduction by any court. Notwithstanding the above, we are entitled to cancel the contract and procure replacement from a third party after the fruitless expiry of an appropriate grace period. Regardless of the above, we may claim compensation for damages exceeding the contractual penalty in addition to the contractual penalty. Our other legal entitlements shall remain unaffected by the above.

- 3.5 If the Supplier anticipates problems with regard to the manufacture of products, the supply of primary material, the adherence to delivery dates or other similar circumstances which may prevent the delivery at the agreed time or in the agreed quality, the Supplier shall be obligated to notify our ordering department immediately.
- 3.6 The unreserved acceptance of a delayed delivery or service shall not be construed as a waiver of contractual or legal damage claims arising from the delayed delivery or service. Said claims shall persist until full payment of the amount owed by us for the respective delivery or service has been made.
- 3.7 Part deliveries shall generally not be accepted unless expressly agreed to by us or if such part deliveries can be deemed reasonable.
- 3.8 Unless proven otherwise, numbers of units, weights and dimensions shall be those determined by us upon inspection of the incoming goods.
- 3.9 Supplied goods and services shall be inspected in the presence of the Supplier. If the goods or services have to be put into operation or use before they can be inspected for defects or faults, the final inspection will be made following a successful test run.
- 3.10 We shall be entitled to use any software (computer programmes) which is part of the scope of delivery including its documentation to the extent permitted by law (§§ 40a ff of the Austrian Copyright Law).
- 3.11 We shall also be entitled to use such software (computer programmes) including

its documentation with the agreed-upon performance specifications and to the extent required for the contractual application of the product. We shall be authorized to create a backup copy without any express agreement.

4. Force Majeure

- 4.1 Force majeure, labour disputes, equipment failure not caused by us, civil unrest, acts of authorities and any other inevitable incidents shall release us from the duty of timely acceptance of the object of the contract for the duration of such incidents.
- 4.2 We shall be entitled to a full or partial cancellation of the contract without prejudice to other rights during such incidents and within two weeks after the end of such incidents, provided such incidents are of significant duration and our demand has decreased considerably.

5. Advice of Dispatch and Invoice

The specifications in our purchase orders and delivery call-offs apply. The invoice shall be issued in single copy to the address specified in the purchase order or in any other order documents and shall contain the invoice number and our delivery and purchase order number(s). The invoice shall not be included in the appropriate shipments. Any invoices included in shipments shall be regarded as not received.

6. Pricing and Transfer of Risk

Unless other special agreements have been made, prices are free works, delivered duty paid (DDP according to Incoterms 2000), including packaging. Prices are exclusive of VAT. Prices stated in the purchase order or in the delivery call-off are fixed prices. Any changes to these prices shall require our written permission. Risk shall transfer to us at the time of acceptance of goods by us or by our representative at the location where delivery is to take place as ordered.

7. Terms of Payment

Unless otherwise agreed, payment of invoice shall be made either within 20 days less 3% cash discount or net within 60 days of due date of payment and of receipt of the correct invoice and of the acceptance of the object of the contract. Payment shall be conditional upon invoice verification.

8. Notice of Defects, Warranty, Guarantee

- 8.1 Acceptance shall be conditional upon inspection for possible faults or defects and in particular on verification of correct and complete delivery, as and when the regular course of business allows for such inspection. The Supplier shall waive the right to plead for delayed notice of defects. Payments shall not be considered as an approval of the object of the contract. The Supplier shall be liable for defects and faults of the object of the contract, regardless of whether such defects and faults are noticeable immediately or at a later time and regardless of whether the Supplier was notified of such defects and faults immediately or at a later time. The Supplier shall be liable throughout the period of warranty and guarantee in such a way that we shall be entitled to demand, at our own choice, free exchange, free upgrade, an adequate discount or full or partial cancellation of the contract without prejudice to any other legal remedies, in particular competing claims for damages. The aforementioned shall apply regardless of the degree of defect or fault. Exchanges and upgrades shall be performed immediately upon our demand. In urgent cases, particularly when acute danger or considerable damage have to be avoided, non-conformance with our demand shall entitle us immediately to perform exchanges or upgrades ourselves at the expense of the Supplier or to have them performed by third parties.
- 8.2 The notice of defects shall interrupt the period of limitation (warranty period) for the entire defective or faulty object of the contract. The period of limitation (warranty period) shall start to run anew upon correction of defects or faults.

8.3 If we are made subject to claims by our customers/buyers in consequence of a defect or fault – on whatever legal grounds and at whatever time –, the Supplier shall be obligated to compensate us to the extent to which we have been made liable ourselves, provided the Supplier is informed of such claims within six months of our provision of goods or services in an out-of-court notice. The Supplier shall carry the burden of proof as to whether his delivery was free of defects and faults.

8.4 The Supplier shall be obligated to deliver only products and to use only materials of which he has free-of-lien ownership and to which no third parties have property rights that may prevent us from or limit us in using said products or materials. We shall be indemnified and held harmless by the Supplier from and against possible claims of rights of ownership, rights of lien, licensing rights or other third-party claims concerning the object of the contract.

8.5 All rights of use under copyright law, industrial property rights and legal positions similar to property rights concerning the object of the contract, which have arisen from goods and/or services supplied by the Supplier as well as said rights to all other work results arising from this contract shall pass over to us on their creation without further payment. Said rights shall be owned exclusively by us and shall not be subject to limitations of space, time and content. Said rights can be extended, transferred, revised, amended, reproduced or published without the Supplier's consent. The Supplier shall grant us the right to file patents for patentable development results.

8.6 If object of the contract underwent improvements within the period of limitation (warranty period), said period of limitation (warranty period) shall start to run anew as soon as the Supplier has successfully carried out such improvements on condition that the improved object of the contract has been unconditionally accepted by us.

9. Product Liability

9.1 If we are subjected to product liability claims, the Supplier shall be obligated to

indemnify us from such claims, if and to the extent to which the damage was caused by a defect or fault of the object of the contract supplied by the Supplier. In instances of fault-based liability, however, this shall only apply if the Supplier proves that he is not at fault.

- 9.2 In cases where Item 9.1 applies, the Supplier shall bear all costs and expenses, including any litigation costs.
- 9.3 For the rest, legal provisions shall apply.
- 9.4 If a recall action is required as a partial or full result of a defective or faulty object of the contract delivered by the Supplier, we shall inform the Supplier before the start of such action. The Supplier shall be given the opportunity to participate in such action and we shall consult with him to ensure an efficient execution of such action unless the high urgency of the situation prevents us from informing or involving the Supplier. To the extent to which a recall action results from a defective or faulty object of the contract delivered by the Supplier, the Supplier shall bear all costs of the recall action and shall carry the burden of proof as to whether the delivered object of the contract was free of defects and faults.

10. Execution of Work

Staff who perform work on the business premises under the contract shall be obligated to observe the provisions of the appropriate plant regulations. The provisions regulating the entering and leaving of the plant shall be observed. We shall not be held liable for accidents such persons are involved in on the business premises unless such accidents are caused by intentional or grossly negligent neglect of duty of our legal representatives or agents.

11. Supplies, Alterations to Moulds and Models, Drawings

- 11.1 Any materials, parts, containers and special packing (hereinafter called "tooling") provided by us shall remain our property. Such tooling shall only be used in accordance with the intended use. The processing of materials and the assembly of

parts are carried out on our behalf. All parties agree that we shall have co-ownership of all products manufactured from our materials and parts to the extent in which our supplies form part of the value of such products and are stored for us by the Supplier.

- 11.2 All tooling made available to the Supplier by us or manufactured by the Supplier according to our specifications shall not be reproduced, sold, passed on, offered, transferred by way of collateral, pledged or transferred in any other way without our prior written consent nor shall such tooling be used in any way for or by third parties. The same shall apply to products manufactured with said tooling.

12. Documents and Confidentiality

- 12.1 Any business or technical information provided by us (including features obtainable from forwarded items, documents or software and any other knowledge or experience) shall be kept strictly confidential towards third parties as long and inasmuch as said information is proven not to be known publicly. Said information shall be provided at the Supplier's plant only to those persons who must absolutely be consulted on the use of said information for purposes of delivery to us. Such persons shall also be obligated to maintain confidentiality. Said information shall remain our exclusive property. Without our prior written consent, such information shall not be copied or utilized in business or trade except for deliveries to us. Upon our request, all information originating from us (including all copies or recordings made) and any loaned items shall be returned to us immediately and in full or shall be destroyed immediately.
- 12.2 We shall reserve all rights to such information (Item 12.1) (including copyrights and the right to register commercial copyrights, such as patents, utility patents, semi-conductor protection, etc.). Such legal reservation shall be applicable in favour of third parties in case such information has been provided by said third parties.
- 12.3 Suppliers require prior written approval of our responsible division if they intend to

advertise their business relation with us with reference to the appropriate product on the basis of the underlying contract or other contracts.

12.4 All products manufactured according to documents designed by us, such as drawings, models and suchlike, or which have been manufactured according to our confidential specifications or manufactured with our tools or reverse engineering tools shall not be used by the Supplier himself and shall not be offered or delivered to third parties by the Supplier. The above shall equally apply to our printing orders.

12.5 Changes to moulds or models shall be made immediately after receipt of our notification of change.

12.6 Purchase orders issued by the Hallein production plant: purchase orders are based on the standards and conditions of purchase forwarded to the Supplier. Drawings shall be kept on file by the Supplier. The Supplier will be automatically informed of changes to the drawings; cancelled drawings are to be returned without fail. For new parts a first sample test report is mandatory (endurance test, certificates of inspection, test bar, etc. are to be supplied). The material quality used shall be stated on the delivery note of every delivery (DIN 50049 3 1. B certificate, if applicable).

13. Premature Cancellation of Existing Contract Relations

13.1 We shall expressly reserve the right to cancel a contract prematurely in the event of serious existing or impending breach of contract by the Supplier. If the Supplier gives cause for a premature contract cancellation through his conduct and/or insufficient quality of a previous delivery or because it is foreseeable that he will not be able to honour his delivery commitment within the agreed time or because the Supplier is insolvent, has stopped payments or because an application of insolvency proceedings was dismissed due to insufficient assets, we shall only remunerate completed and proven performance which has been performed under the contract until

the posting of the declaration of dissolution, provided such performance is of use to us.

13.2 The Supplier shall not be entitled to any further claims for performance or for damages in the event of such a cancellation of contract. We expressly reserve the right to claim for damages in such events.

14. Export Regulations and Customs

The Supplier is obligated to advise us in his business papers of any obligations to obtain permits for (re-)exports of his goods according to Austrian, European and US-American export and customs regulations as well as on export and customs regulations of the country of origin of his products. The Supplier shall specify at least the following details in his proposals, order confirmations and invoices for the respective items:

- the export list number or similar list positions of relevant export lists,
- the ECCN (Export Control Classification Number) according to the US Export Administration Regulations (EAR) for US goods,
- the commercial origin of his goods and of the component parts of his goods including technology and software,
- information if the goods were shipped through the USA, produced or stored in the USA or manufactured by means of US-American technology,
- the HS number of his goods and
- a contact person in his company to be contacted in case of questions from our side.

The Supplier shall be obligated to inform us upon request in writing of all further foreign trade data of his goods and their component parts. The Supplier shall also be obligated to immediately (before the delivery of any goods concerned) inform us in writing of all changes to the previously mentioned data.

15. Social Responsibility and Environmental Protection

The Supplier shall be obligated to adhere to the appropriate legal regulations on the handling of employees, on environmental protection and on occupational safety and to work on reducing detrimental effects on

people and the environment in his business activities. To this end and within the bounds of his possibilities, the Supplier shall install and continue to develop an ISO 14001 management system. In addition, the Supplier shall observe the principles of the U.N.'s Global Compact Initiative. Said principles are mainly concerned with the protection of international human rights, the right of collective bargaining, the abolition of forced labour and child labour, the elimination of discrimination upon hiring and employment, the responsibility for the environment and the prevention of corruption. Further information on the U.N.'s Global Compact Initiative is available at www.unglobalcompact.org.

16. Place of Fulfilment and Jurisdiction

Place of fulfilment and exclusive place of jurisdiction for all disputes arising from or in connection with the underlying contract, including these Terms and Conditions of Purchase, and including disputes on the existence or non-existence of the underlying contract, on its violation, cancellation or invalidity, shall be Vienna, Austria. We shall, however, be entitled to take legal action against the Supplier at any of the Supplier's places of jurisdiction or at the court of law at the destination.

17. General Provisions

17.1 Rights and duties arising from the underlying contract may be transferred. Such transfers on the part of the Supplier require our prior written consent.

17.2 The Supplier shall not be entitled to offset payables against receivables from our side nor to claim a right of retention unless the Supplier's receivables have been adjudged by court or acknowledged by us. A right of retention can only be exercised in the event of failure of performance of a primary contract obligation. The right of retention shall be exercised in a proportional manner only.

17.3 The Supplier shall not be entitled to the legal remedy of *laesio enormis*.

17.4 In the event that a provision of these Terms and Conditions of Purchase and of further concluded agreements is or will become void, invalid or unenforceable, such event shall not affect the effect, the validity or enforceability of the other provisions and of further concluded agreements. In such a case, an effective, valid or enforceable provision, which will be as close as possible to the economic value of the provision to be replaced, is considered mutually agreed upon by the parties to the contract. This shall apply *mutatis mutandis* for an addition to the contract to fill gaps in the contract.

17.5 The contractual relations are exclusively governed by Austrian law to the exclusion of the law of conflicts and the U.N. Convention of Contracts for the International Sale of Goods (CISG).

As per July 2007