

1. The Purchaser may make available to Contractor tools and/or models (together "Equipment") on a temporary basis and in conjunction with a purchase agreement on parts ("Parts") to be supplied by Contractor to Purchaser ("Purchase Agreement"). Without prior written consent by Purchaser, Contractor shall use the Equipment to produce Parts only. The Equipment shall remain the sole property of the Purchaser. This Clause 1 shall also apply to any production materials provided by Purchaser to Contractor in accordance with the Purchase Agreement ("Materials"), f.i. components for the Parts. The tools and models (Equipment) and the production materials made available by Purchaser will also be collectively referred to as "Materials".
2. If Contractor itself manufactures or procures from third parties Equipment for the purpose of the production of Parts, then Purchaser shall acquire sole ownership of said Equipment. The Purchaser shall acquire ownership in such Equipment in that a) Contractor transfers to Purchaser, already at the time when the order is placed by Purchaser to Contractor, the title in the Equipment that is or will be Contractor's property and b) Contractor holds the Equipment in custody for Purchaser in accordance with Section 5 below. Insofar as Contractor itself manufactures the Equipment, said manufacture is carried out on behalf of the Purchaser whereby the Purchaser shall automatically become the owner (*Herstellerklausel*). Contractor shall maintain the Equipment in a manner which procures that the production of high quality Parts for Purchaser will be safeguarded at all times and that the Equipment at all time will be in good usable condition. In case the documentation provides for production quantities, such quantities shall also be ensured by Contractor, to be proved on request of Purchaser.

Production and assembly lines for the production of Parts, i.p. the order and position of the elements of such lines, shall not be changed in any respect without prior written consent by Purchaser. Contractor shall establish a layout for the production and shall hand-over such lay-out plan to Purchaser. The Equipment shall be used only at the site for which it has been made available by Purchaser or to be procured by Contractor. Contractor shall not be entitled to copy the Equipment nor to manufacture such Equipment for his own.
3. Upon request by Purchaser, Contractor is obliged to promptly return at its own expense the Materials (or part thereof, as requested by Purchaser) to Purchaser or any other address given by Purchaser. If the other address is not in the same country as the Purchaser the proven additional cost will be borne by Purchaser.
4. Contractor in any case shall bear the costs incurred for the maintenance (including repair) of the Equipment even if Purchaser will conduct the maintenance/repair.
5. The Materials must not be passed on to third parties and not be used for purposes other than as stipulated in Clause 1 hereof. Contractor must not pledge, nor transfer title in, any Materials. In case of seizure or any other act of intervention Contractor shall point out to Purchaser's ownership. Contractor shall hold the Materials under proper custody and care consistent with good commercial practice on behalf of, and for, the Purchaser free of charge and without cost to Purchaser, provided that further requirements in particular as per Clause 2 hereof shall be unaffected. Contractor shall a) clearly and individually mark the Materials as being property of Purchaser, b) store the Materials properly and separately from Contractor's property and c) carefully protect the Materials against any and all harmful influences as well as to be used in adequate surroundings. The Contractor must adequately insure all Materials against damage by fire or water, against theft and disasters.
6. Contractor shall subject all Materials to a quantity, weight and quality control upon receipt. The Purchaser must be promptly informed of any quantity and weight deviations and of any other defects; Purchaser shall then decide within a reasonable period of time about the measures to be taken in this context. The same shall apply also to defects that appear later on, f.i. during production of the Parts. Only upon prior written consent by Purchaser, Contractor shall be allowed to remedy Materials that have been manufactured defectively or Materials that have been processed defectively. Without prejudice to any other rights or claims of Purchaser, Contractor shall be liable for the loss of Materials that can no longer be used through Contractor's fault, as well as for all damage incurred by Purchaser in connection therewith.
7. Purchaser and its representatives shall at all times be entitled to make an audit of the Materials. To this effect Contractor shall provide to Purchaser unrestricted access to all of its facilities and installations including to all Materials.
8. If Materials of Purchaser are processed into a new item or mixed together with, or joined to, other objects (herein: "Mixed Objects"), then Purchaser shall acquire ownership of the new item or co-ownership in the Mixed Objects, as the case may be, pro rata of the value of the Materials and other objects. Contractor shall hold the new item or the Mixed Objects in safe custody free of charge for and on behalf of Purchaser, exercising due care and diligence consistent with good commercial practice. The provisions and restrictions of these Conditions shall also apply to the new items and Mixed Objects. For the event that Contractor upon Purchaser's express consent, or in non-compliance with the provisions of these Conditions, sells the Materials or new items, in which the Purchaser has acquired ownership, or Mixed Objects, to which he has become a co-owner, Contractor already hereby transfers and assigns to Purchaser, as a security for Purchaser's claims against Contractor hereunder, any claims together with all ancillary rights thereto or substitute thereof including any balance claim, to which Contractor is entitled by virtue of said sale. On Purchaser's demand Contractor shall without undue delay inform its customers of the assignment and shall give to Purchaser all information and documents necessary for asserting the claims against Contractor's customers. Contractor shall bear any costs that might be incurred in conjunction with collection or intervention procedures.
9. These Conditions shall be governed by German substantive law. The application of the United Nations Convention on Contracts for the International Sale of Goods (CISG) shall be excluded.