

General Terms and Conditions of Purchase Herpa Miniaturmodelle GmbH (Sept. 2006)

11. Conclusion of the contract

Note: This is a translation of the German version. In cases of uncertainty or conflict, the German version shall prevail.

1.1 For all contractual relations between the principal Herpa Miniaturmodelle GmbH (hereinafter „Customer“) and the agent (hereinafter “Supplier”), the following terms and conditions of purchase shall apply exclusively. The terms and conditions of the Supplier are hereby contradicted

1.2 Orders, agreements, delivery schedules, their amendments or additions are only binding, when issued and confirmed in writing by the Customer.

1.3 Orders and delivery schedules are considered as accepted, when the Customers does not object in writing within 2 weeks on delivery.

1.4 The delivery and packaging instructions are also part of the contract.

2. Prices and transfer of risk

2.1 The prices agreed shall be fixed prices excluding the applicable VAT – DDP (Inco terms 2000) including cost of packaging and freight.

2.2 The goods remain at the risk of the Supplier until acceptance of the goods by the Customer or an authorized representative at the place of delivery as ordered. For services, the risk passes with the acceptance by the Customer.

3. Delivery dates, delays

3.1 The delivery dates and deadlines are binding. Relevant for compliance with the delivery dates or supplementary performances shall be the receipt at the receiving center indicated by the principal or the complete and unreserved acceptance through customer.

3.2 When agreed dates or deadlines are not met, the statutory provisions apply.

3.3 Without prejudice to item no. 3.2, in case of apparent delays for delivery or services, respectively supplementary performances, the customer is to be notified immediately and his decision is to be obtained.

4. Receiving inspections

4.1 Immediately upon receipt of delivery, the Customer shall inspect whether the delivered products correspond with the ordered quantities and types or have apparent, externally visible transportation damages or externally visible faults.

4.2 Should the Customer detect a flaw, the Supplier is to be notified.

4.3 Complaints shall be reprehended within one month of delivery or, if the fault was detected during processing or when putting into use, with the detection.

4.4 Any further obligations of complaint and inspection on the part of Customer shall be excluded

5. Warranty claims

5.1 The Supplier's warranty period for the products supplied and services rendered shall be 24 months unless the applicable law stipulates longer terms. The warranty period begins with the transfer of risk according to item no. 2.2.

5.2 Defects detected before or at the transfer of risk or occurring during period, stated in item no. 5.1. must either be eliminated cost-free by the Supplier or delivered or rendered new and free of defects. This also applies to deliveries, whereas the inspection was restricted to samples. The choice is up to the Customer's equitable discretion.

5.3 After fruitless expiry of a period of grace set by Customer for supplementary performance, Customer shall be entitled to (i) withdraw all or part from the contract or demand reduction of the purchase price or to carry out rework or order replacement or have it done by third parties at the Supplier's expense and (ii) compensation in damages instead of performance. § 281 clause 2 and § 323 clause 2 German Civil Code (BGB) remain unaffected.

5.4 Rework can be done without a deadline at the Supplier's expense if delivered after the Supplier is in default. The same applies, when the Customer to prevent the own default or due to other urgencies of

any given situation or has a legitimate interest in a subsequent performance.

5.5 The aforementioned claims become statute-barred one year after notice of default but in no event before the period of limitation, as mentioned in item 5.1, has expired

5.6 Further requirements or other statutory rights shall remain unaffected.

5.7 For repaired or newly delivered contractual products, the in item 5.1 stated warranty period shall recommence on completion of rectification.

5.8 The Supplier shall bear all expenses and the risk for the return of faulty delivery items.

6. Industrial Property Rights

The Supplier shall guarantee that the delivery and use of the contractual products will not violate any patents, licenses or other property rights of third parties.

7. Tools, Molds, Samples, Secrecy etc.

7.1 Tools, molds, samples, models, profiles, drawings, standard sheets, mechanicals and devices provided by the Customer, as well as items manufactured afterwards, may neither be disclosed to third parties without the prior written consent of Customer nor used for other than the contractual purposes. They have to be safeguarded from unauthorized inspection or use. Except as otherwise provided, Customer can demand their surrender when Supplier is in breach of assuming that duty.

7.2 Supplier undertakes to keep all confidential information he received by the Customer strictly confidential; they may only be disclosed to third parties with the express written consent of the Customer.

8. Payment

8.1 Payment shall be made – unless otherwise agreed – within 60 calendar days net or within 30 calendar days with 3% discount.

8.2 Payment terms begin, as soon as delivery or provision of service was completely rendered and a proper invoice was received. Discount is also permitted for offset or is entitled to withhold payment proportionate to value in case of faulty delivery/performance. Payment period begins with proper remedy of defects.

8.3 Provided, that the Supplier is a contractor, the Customer shall exclusively default in payment under the respective individual agreement upon previous written reminder from Supplier.

8.4 Payments do not imply the acceptance of deliveries or services as per agreement..

9. Partial Invalidity, Place of Jurisdiction, Applicable Law

9.1 Should individual parts of these General Terms and Conditions of Purchase be or become invalid, the validity of the remaining provisions shall hereby not be affected.

9.2 Place of jurisdiction shall be the court having jurisdiction at the Customer's domicile. The Customer is also entitled, to bring an action against the Supplier at the court having jurisdiction at the Supplier's domicile.

9.3 In addition, exclusively non-unified German law shall be applicable, notably the BGB/HGB (German Civil Code/German Commercial Code). The provisions of the United Nations Convention on Contracts for the International Sale of Goods dated 11 April 1980 (UN Sales convention - CISG) shall be excluded.

Conditions of Delivery Herpa Miniaturmodelle GmbH

Reference number: Has to be stated on order confirmations, delivery notes, freight documents, package addresses, invoices and on any correspondence.

Delivery notes: Two copies with delivery

Invoice: Two copies, separately via mail (duplicate clearly marked)

Dispatch: In case – deviating from item no. 2.1 of the General Terms and Conditions of Purchase – a price is agreed upon as EXW (Incoterms 2000), Customer only accepts the most favorable freight charges. Supplier bears all costs incurred until the first carrier takes possession including loading but excluding freight charge.

Miscellaneous:

Underdeliveries not acceptable

Overdeliveries only a max. of 5% is acceptable

Cardboard weight a max. of 10 kg is allowed

Cardboards/pallets have to be labeled with:

- Item number
- Project number
- Quantity
- Order reference
- Supplier's name
- Date

Vehicle deliveries:

Monday through Thursday	from 7 am through 3 pm
Friday	from 7 am through 12 noon

Address for shipment: Receiving center is the authorized goods receiving department

Address: Leonrodstraße 46-47
90599 Dietenhofen

Freight and express freight: Ansbach Central railway station

Express deliveries: Ansbach Central railway station

Costs arising from nonobservance of our Conditions of Delivery and the below stated addresses for delivery shall be charged to the Supplier.