

1. GENERAL

1.1 These general conditions of purchase are valid for all business relations towards Pankl Racing Systems AG and all companies of the Pankl Group.

1.2 The legal relationship between us and our contract partners shall follow these purchasing terms and conditions exclusively. Conflicting terms and conditions of contract partners shall not apply, not even when a contract has been fulfilled and we have not explicitly contradicted them.

1.3 Orders shall only be legally binding on us if they have been placed by our purchasing department. The same applies to all amendments and supplements.

1.4 Our order shall count as having been accepted unless it has been refused in writing not more than 7 days after it was sent, or if work on executing it has begun. We have the right to cancel the order up until the moment of its acceptance.

1.5 Our order number must be detailed on all paperwork related to our order.

2. PRICES

Prices are fixed prices and include function and quality testing, painting, protection against corrosion, packaging, factory and inspection certificates, and documentation (section 10). In so far as necessary, transport approvals are also included in the price.

Price reductions occasioned by changes in the market must be passed on to us in full.

3. DELIVERY DATES AND PERIODS

3.1 The delivery date detailed in the order is legally binding. If a delivery period is stated, then it begins on the date of the order.

3.2 Deliveries before the date laid down are permissible only with our explicit approval, and do not justify any change to the agreed terms of payment.

3.3 Partial / excess and shortfall deliveries against an order position are permitted only when there has been express agreement on them.

3.4 Complete fulfillment of contract, i.e. including the execution of assembly, submission of documents, etc is definitive for the punctual performance of any delivery and/or service.

4. DELIVERY DELAY

4.1 The contract partner is obliged immediately to inform us in writing and in detail if he discerns any danger of a deadline being missed, failing which he must reimburse us for loss, including any loss arising for our end customer.

4.2 We have the right, in the case of delay, to stipulate to the contract partner an appropriate period of grace within which he must bring about his performance and to state that we will refuse to accept its performance if that period expires fruitlessly.

If the contract is not fulfilled before that period expires then we have the right, at our option, to withdraw from the contract and to demand reimbursement of all losses, including lost profit, which shall have arisen for us or our end customer.

4.3 In the case of delay in relation to a delivery deadline we have the right, in any case, to withhold a contract penalty of 2% of the total order value per week of delay that has begun and per order position up to a maximum of 20%, with all our rights to assert further compensation in damages reserved (including lost profit, costs for attorney's fees, etc.)

We may reserve our right to assert this contract penalty right up to the final payment.

5. PACKAGING

The packaging must be - subject to no additional requirements in our purchase order or any other documents - organised in the manner customary in this sector, and be fit for its purpose and of impeccable quality, such that the goods are adequately protected until they reach our factory or whatever other destination has been laid down. We have the right, but are not obliged, to return packaging material at the contract partner's cost and risk.

6. DELIVERY, PASSAGE OF RISK, DESPATCH, DELIVERY DOCUMENTATION

6.1 The delivery conditions laid down in the order on the basis of the current version of Incoterms apply. In the case of deliveries within Austria, the contract partner bears the risk up to the unloading point at the destination that has been stipulated.

6.2 If parts are provided by us or by third parties, then the contract partner bears the risk in these parts from the moment they are delivered or handed over to him. The transportation risk in such cases is borne accordingly by the party that has been commissioned to carry out and/or is carrying out the transportation. This applies analogously to returns of goods to us or to the onward passage of goods.

6.3 For the purposes of despatch and to effect trouble-free intake of goods, the contract partner must attach to each shipment a delivery note detailing our order data (such as the order number, the number of the order entry, our parts number(s), contract number(s) and precise description(s) of the content). We have the right to return the delivery at the contract partner's expense and risk in the case of such information necessary for acceptance of the delivery not being detailed on the delivery note or not being available. Joint delivery of several entries from various orders and a joint delivery note / despatch documentation is only permitted if clear allocation notes

are made referring to the orders, and order entries, concerned.

6.4 In the case of deliveries from outside Austria, a customs invoice (in triplicate) and a valid certificate of origin (declaration of origin, certificate covering movement of goods, etc.) for the purpose of the beneficiary being able to obtain customs clearance must be attached to the consignment note free of charge. Customs clearance for exports is obtained by the contract partner at his own expense and risk. A supplier's declaration detailing our part numbers must be attached to the goods in the case of delivery of goods manufactured in Austria and of goods on which customs duty has been paid.

A despatch note, giving precise details of the information on the delivery note, the means of transport and the name of the forwarding agent must be sent to us by fax, promptly at the time of despatch.

6.5 Shipping address is the company address of the respective Pankl company or the address indicated in the order. Cash on Delivery (COD) consignments are not allowed.

6.6 The delivery of goods to the respective company address, must be made exclusively to its goods inwards point during normal working hours.

6.7 All losses, risks and costs arising from non-compliance with these rules shall be borne by the contract partner.

7. PAYMENT

7.1 Payment shall be made, at our option, within 30 days with 3% cash discount or within 90 days by net transfer on the 25th of the month in which payment is due, providing all the conditions laid down in the order have been fulfilled (3.4) and following receipt of invoice.

7.2 Agreed payments on account shall be made 90 days after receipt of a payment on account invoice and of a free of charge, irrevocable bank guarantee subject to payment on first demand by a first-class Austrian bank.

7.3 Payment may be effected, at our option, by means of cheque, bank transfer, or by 90-day bill payable on maturity.

7.4 Payment shall not signify recognition on our part of the proper performance of deliveries or services, and thus shall not signify any waiver on our part of claims of whatever kind, to which we are entitled.

7.5 We reserve the right to set off against counterclaims, including those of other members of our group.

8. INVOICING

8.1 Invoices must be submitted to us in triplicate.

8.2 In the case of labour being deployed for assembly, repair or maintenance work, the contract partner's personnel must report to the responsible person we have specified in the order prior to starting the work. The originals of the work sheets signed by our responsible person must be attached to invoices. Payment will not be made for services and materials that have not been confirmed by our responsible person.

9. GUARANTEE, REIMBURSEMENT OF LOSS, PRODUCT LIABILITY

9.1 The contract partner shall assume for his subcontractors or his upstream suppliers full guarantee for a period of 24 months for complete, fault-free execution according to order, for the normally promised features of the deliveries and/or services provided, and for compliance with all the relevant statutory and official regulations applying at the place of destination. The contract partner guarantees, moreover, that the execution, construction, suitability and manufacturing technique of whatever has been ordered corresponds to the latest in the technology concerned, that only material of first-class and suitable quality has been used, and that it is appropriate for its intended purpose.

A guarantee period of 5 years shall apply in the case of immovable goods or of goods that are destined to be incorporated into or put into use with immovable goods.

9.2 In the cases of engineering, consultancy, software or documentation services, and also in the case of personnel being delegated, the contract partner shall assume an unrestricted guarantee for the accuracy and completeness of its written details and instructions, and of those given orally.

9.3 The contract partner guarantees - for a period of 10 years from the time of the contract being fulfilled - the execution of training, maintenance, repair and commissioning services in relation to the products delivered in return for whatever remuneration is customary in the market concerned.

9.4 The guarantee period shall run from the time the goods are taken over by the end customer or, in the case of goods used in our factory, from the time that those goods are used there for the first time.

9.5 The contract partner agrees that we are obliged to investigate whatever has been delivered and to complain about defects in whatever has been delivered only on the occasion of handing the end product over to our end customers.

9.6 The contract partner must remedy defects promptly, at his expense and risk, by - subject to our choice and sole discretion - repairing, exchanging and/or replacing whatever has been ordered at the location of its use, i.e. including at the premises of the end customer. If he does not comply with his obligation without delay, we have the right to remedy the defects or services that have not been provided ourselves, or to have them remedied by third parties, at the expense and risk of the contract partner. Obligations on the part of the contract partner going over and above that shall not be affected by this.

9.7 In the event of any repair of what has been supplied under the contract, including by exchange of defective

parts, the guarantee period shall begin to run all over again in that respect. At the same time, the guarantee for the product as a whole shall be extended by whatever period of time it was not possible to use it owing to the defect(s) and the fact of their having to be remedied or eliminated.

9.8 In so far as we are entitled to be reimbursed for loss our claim - irrespective of the degree of blame attributable to the contract partner - shall extend to reimbursement of lost profit and to reimbursement of all losses for which we have had to compensate the end customer.

9.9 In the event of recourse being taken against us owing to the faultiness of whatever was covered by the contract, the contract partner undertakes to indemnify us against all third party claims and to compensate us for all services that we have had to provide for third parties under this heading. He commits himself, furthermore, to supporting us to the best of his ability in any possible legal dispute with third parties. If the contract partner asserts that there was no fault in the product delivered or in the service provided within the meaning of the provisions on product liability, then he must also offer proof of that to us.

These obligations on the part of the contract partner also apply if his product or service forms only part of some performance provided by us to third parties. In that case the contract partner is obliged to reimburse us for all expenditure under that heading, including expenses of third parties, in full.

10. DOCUMENTATION

The contract partner must make available to us, on delivery, proper documentation, especially on its business operation, on the properties of the product and its use, on its further processing or installation, etc. such as product descriptions, storage regulations, operating rules, maintenance schedules, assembly instructions, and lists of spare parts and parts likely to need replacement as a result of wear and tear. This documentation must be in German or English in triplicate in each case, and the contract partner must guarantee its completeness and accuracy, failing which he is liable to us and to the end customer for any damage arising from disregard of these provisions.

11. SECRECY, CONTROLS ON DEADLINES AND QUALITY, AND SUBCONTRACTORS

11.1 Documents handed over to the contract partner, such as specifications, drawings and suchlike remain our property, must be kept secret vis-à-vis third parties, and must neither be duplicated nor made accessible to third parties without our explicit written consent.

They must be given back after whatever has been ordered has been delivered, without us having to ask for that to happen.

11.2 Using the order for advertising purposes is only permissible with our explicit written approval.

11.3 We have the right to undertake checks on the status of production, and on the quality standards of the contract partner or his subcontractors and upstream suppliers.

11.4 Except in the case of standard parts, we must be informed of the names of the subcontractors and upstream suppliers that are involved in fulfilling the contract promptly once the order has been placed, but no legal relationship between us and such companies arises from that account. It is the contract partner that is liable for the selection and fault of subcontractors and upstream suppliers.

11.5 No information should be passed on to outside firms.

11.6 No photographs should be made of our parts.

11.7 Rejected parts must be destroyed.

11.8 Our drawings must not be passed on to outside firms.

11.9 Our dies must not be used for outside firms.

12. PLACE OF FULFILMENT, OWNERSHIP, TRANSFER OF OWNERSHIP

12.1 The place of fulfillment is the company address of the respective Pankl company or the delivery address detailed in the order.

12.2 The components or materials that we make available remain our property.

12.3 The contract partner is obliged to examine these components or materials on their arrival, and to report transport damage to the forwarding agent and any discrepancies in quantities to us immediately, then to identify them clearly and store them separately and carefully at its risk.

12.4 Drawings, models, printing blocks, specimens, tools, devices and other contrivances that are needed for the purposes of executing our order become - once we have paid - our property in so far as they have been manufactured by the contract partner or his subcontractors at our cost. They must be handed over to us on fulfillment of the contract or on our first request. Storing and keeping them in good order is undertaken at the contract partner's expense and risk. Any utilisation of them by the contract partner for his own purposes, and especially for third parties, is prohibited.

12.5 Ownership is transferred in the same way as risk.

13. WITHDRAWAL

13.1 We have the right to withdraw from the contract in the event of any serious contraventions of it, having first set an appropriate period of grace. By serious contraventions are meant, in particular, non-compliance with delivery deadlines and defects that might jeopardise the fulfilment of contracts with end customers. In that event we have the right, notwithstanding our other statutory rights, ourselves to eliminate the defect(s) or provide the service(s) that have not been provided, as the case may be, or to have third parties eliminate or provide

them at the expense and risk of the contract partner at the place where whatever has been ordered is being used. The contract partner's obligations remain unaffected by that.

13.2 In the event of the contract partner being involved in any insolvency proceedings, or in the case of some change in his ownership structure, we have the right - irrespective of the consequences in terms of procedural law - to withdraw wholly or partially from the contract. The contract partner is obliged to inform us immediately of the existence of any circumstances of that nature.

14. THIRD PARTY INDUSTRIAL PROPERTY RIGHTS, OTHER RIGHTS

The contract partner is responsible for ensuring that no third party industrial property rights (patents, trademarks, specimen rights, territorial monopolies etc.) are infringed by use according to contract of the goods that have been delivered. It indemnifies us against all claims arising from infringement of industrial property rights and undertakes to procure the necessary entitlements (licences) for us at his expense.

We have the right to pass technical documentation on to end customers to the extent that it is necessary to do so.

15. IMPORT LICENCES, EXPORT APPROVAL

15.1 The contract partner undertakes to support us in obtaining the import licences needed in destination countries in whatever manner is possible.

15.2 If no corresponding note is given in the contract partner's quotation, we assume that export approvals in the country of manufacture are not necessary. In the event of export approvals being needed, these are procured by the contract partner at his expense and risk.

16. TRANSFER OF CONTRACTUAL RIGHTS, PROHIBITION ON ASSIGNMENT

16.1 The contract partner may not transfer his contractual rights and duties to third parties without our explicit written consent.

16.2 The assignment of pecuniary claims is only permissible with our written consent.

17. APPLICABLE LAW, JURISDICTION

17.1 It is agreed that Austrian substantive law exclusively applies - without regard to the conflict of law rules, and the UNCITRAL (United Nations Commission on International Trade Law) law on purchasing. Companies of the Pankl Group with its seat outside Austria have the right to choose - alternatively to Austrian law - the exclusive application of the substantive law of their state of domicile.

17.2 The relevant, competent court in Graz counts as having been agreed for all disputes arising from the contract entered into in respect of its validity, its materialisation and its interpretation, etc. Towards companies of the Pankl Group with its seat outside Austria, the relevant and competent court of the respective company's seat is agreed.

18. CONTRACTUAL RESERVATION, WRITTEN FORM, SAVING CLAUSE

18.1 Explicit contractual agreements with the contract partner that differ from these purchasing terms and conditions have precedence over the latter.

18.2 Amendments to contractual agreements and to the purchasing terms and conditions, and other statements having to be given because of or in connection with the contractual relationship shall satisfy the requirement for written form and have to be duly signed by us. Oral agreements shall have no effect.

18.3 Should any clause of this contract be or become ineffective, or should the contract be incomplete, then the rest of its content shall not be affected by that. The ineffective provision must be replaced by whatever provision comes closest to meeting the purpose of the ineffective provision in a legally effective and businesslike way. Any loopholes in the contract must be filled in the same way.