

General terms and conditions of purchase for the purchase of goods, BUGATTI ENGINEERING GMBH / BUGATTI AUTOMOBILES S.A.S / BUGATTI INTERNATIONAL S.A. / general purchasing division (current as of 03.03.2008)

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1. Applicable law

The application of the CISG (Convention on Contracts for the International Sale of Goods) shall be excluded, provided that no agreements to the contrary have been made.

2. Definition of terms

The BUGATTI contractual partner shall hereinafter be known as the supplier.

3. Validity of the contractual conditions / contractual elements

3.1

These conditions shall supplement the general terms and conditions of purchase, BUGATTI ENGINEERING GMBH / BUGATTI AUTOMOBILES S.A.S / BUGATTI INTERNATIONAL S.A. / general purchasing division.

3.2

The contractual elements shall appear in the following order of precedence, this as far as available and not otherwise agreed:

3.2.1

- the BUGATTI order description

3.2.2

- the negotiation records in chronological order

3.2.3

- the general terms and conditions of purchase for the purchase of goods

3.2.4

- the general terms and conditions of purchase / general purchasing

3.2.5

- the operational resources guidelines 1.01

3.2.6

- the service request or service description (with particular, but not exclusive reference to the specifications) issued by BUGATTI

3.2.7

- the relevant general recognised technological guidelines, particularly the relevant DIN provisions

4. Supplier's verification obligation

4.1

In the event that BUGATTI places a service request or service description at the disposal of the tendering party, it shall be obliged to check the contents of the information contained therein for accuracy and completeness. BUGATTI should be informed of any contradictions, ambiguities or incompleteness which become apparent within the context of the usual level of care applied when drawing up tenders and calculating prices without delay.

4.2

Figure 4.1 shall also apply accordingly in the case of performance-related demands in framework agreements.

4.3

In principle, the supplier shall be obliged to subject the goods to an appropriate quality assurance check before their delivery to BUGATTI and, in particular, to check whether the goods demonstrate the

agreed properties and condition and are suited to the purpose envisaged by the contract or to acceptable use. The extent and nature of the quality assurance check shall be determined in accordance with an individually agreed contractual arrangement, with the nature and significance of the goods in question, the nature of the supplier (manufacturer or intermediary) and the reasonable expense associated with a check of this kind.

5. BUGATTI verification obligation

BUGATTI shall be obliged to check the goods for possible qualitative and quantitative deviations within an appropriate period of time.

6. Production of the delivery item, service amendments

6.1

The supplier shall be obliged to provide BUGATTI with information regarding all third parties from which it obtains materials, raw materials etc. for the production of the goods on the grounds of quality assurance, this at BUGATTI's request. BUGATTI shall be entitled to demand that the supplier replace any one of these third parties on the grounds of just cause after a previously determined time period has lapsed.

6.2

In the event that the goods ordered by BUGATTI are produced or generated purely on the grounds of the order, the following regulations shall apply:

6.3

In the event that, during the contract's execution, it becomes apparent that deviations in the agreed condition and quality of the goods are necessary for technical or other reasons, the contractual partner in question shall be obliged to inform the other contractual partner of this change of circumstances without delay.

6.4

BUGATTI shall also be entitled to demand amendments to the service provision after

the contract's conclusion, this in so far as the supplier's establishment or that of the approved subcontractor is capable of providing these altered services, and that the said amendments prove reasonable for the supplier or its subcontractor.

6.5

In the event that the said amendment has an effect on the agreed price, the parties shall be obliged to agree a new price, taking account of incremental and reduced costs and the chronological effects of the said amendment.

6.6

In the event that the chronological effects of the amendment of the original services make it impossible to observe the originally agreed delivery date, or this is only possible via unreasonable expense and effort, the agreed delivery date shall hereby be deemed invalid, and the contractual parties shall be obliged to agree a new, suitable delivery date, taking account of the interests of both parties in the process.

7. Tools

Tools placed at the supplier's disposal by BUGATTI shall remain the property of BUGATTI. The supplier shall be obliged to use the tools for the exclusive manufacture of the goods ordered by BUGATTI. The tools belonging to BUGATTI must be insured as new against fire and water damage and theft by the supplier at its own expense. The supplier shall assign all compensation claims from this insurance policy to BUGATTI with immediate effect; BUGATTI shall hereby accept the said transfer. The supplier shall be obliged to carry out all requisite maintenance, repair and servicing works on the tools at its own expense, and this in a punctual manner. The supplier shall be obliged to inform BUGATTI of any breakdowns without delay. Any damage claims shall remain unaffected in the event that it fails to do this in a culpable manner.

8. Performance and fulfilment

8.1

BUGATTI shall not be entitled to accept defective goods as contractual fulfilment. The delivery of defective goods shall also constitute the supplier's delivery of incorrect goods or an insufficient amount of the same.

8.2

BUGATTI reserves the right to accept the goods despite their deficiency, this irrespective of its contractually agreed or legal rights as regards defects.

9. Place of performance (transfer of the risk)

9.1

The place of performance shall be deemed the place specified in the service request or the negotiation records. This shall usually be a BUGATTI plant, branch or other business location. In the event that a place of performance is not expressly specified and if this cannot be inferred from the agreements between the parties, Wolfsburg, Germany, shall be deemed the place of performance.

9.2

The agreement of the place of performance and the assumption of the risk shall be based on the current valid version of Incoterms.

9.3

As far as nothing to the contrary has been agreed, the transport and dispatch of the ordered goods shall be effected at the supplier's own risk. The supplier shall be obliged to take out a transit insurance policy.

9.4

The risk shall pass to BUGATTI upon the goods' transfer to one of the formers' authorised receiving agents.

9.5

The aforementioned transfer shall be confirmed by a suitably authorised Bugatti Engineering GmbH / Bugatti Automobiles S.A.S / Bugatti International S.A. ent on a

delivery note to be issued by the supplier. In addition to the delivery note and supplier numbers, the aforementioned delivery note should also contain the following information:

- in the case of individual SAP orders:
 - order no.:
 - OA no.:
 - order amount and unit
 - description of goods / services
 - unloading point and plant
 - BUGATTI allocation
 - BUGATTI stock number

- in the case of SAP blanket orders:
 - order no.:
 - OA no.:
 - order amount and unit
 - description of goods / services
 - unloading point and plant
 - BUGATTI allocation
 - BUGATTI stock number
 - request number

- in the case of individual warehouse material orders:
 - order no.:
 - order amount and unit
 - material no.:
 - description of goods / services
 - unloading point and plant

- in the case of warehouse material blanket orders:
 - order no.:
 - order amount and unit
 - material no.:
 - description of goods / services
 - unloading point and plant
 - order no. in accordance with request

10. Delivery time, delays

10.1

The delivery date specified on the order shall be deemed binding.

10.2

The supplier shall be obliged to inform BUGATTI immediately in the event that it wishes to deliver the goods earlier, or is unable to observe the agreed delivery date. BUGATTI's contractual and legal rights regarding delay and deferral shall remain unaffected.

10.3

In the event that the supplier defaults on the delivery, it shall be obliged to pay a contractual penalty amounting to between 0.1 % and a maximum of 5% of the net order amount for each working day of the aforementioned delay. In the event that partial deliveries have been agreed, or if the order is part of a framework agreement, the net order amount must be calculated for the partial delivery or individual order in question. The assertion of legal claims relating to the delay in or deferral of the service provision shall remain unaffected by the issue of a contractual penalty. The contractual penalty shall be offset against any damages resulting from the delay.

10.4

In the event that BUGATTI shall be prevented from accepting the goods at the agreed place of performance on the grounds of force majeure, it shall not be obliged to issue a default of acceptance, and nor shall the supplier be entitled to make return service or compensation claims. Force majeure shall constitute all inevitable circumstances or events which could not be foreseen at the time of the contract's conclusion, and which could only have been prevented at unrealistic levels of effort and expense, in particular natural catastrophes, riots, strikes and lawful lockouts. The supplier shall be obliged to store the goods at its own risk and expense in an appropriate manner for the duration of the instance of force majeure.

10.5

BUGATTI shall inform the supplier of any circumstances constituting an instance of force majeure with immediate effect.

11. Supplier liability for defects

11.1

In the event that the supplier issues a guarantee regarding the quality and condition of the goods in accordance with § 443 of the BGB (German Civil Code), or regarding the preservation of the said goods' for a specific period of time, the supplier shall be liable to BUGATTI for all damages arising from a violation of this guarantee, regardless of whether it should be responsible for this or not, provided that no alternative legal consequences have been determined. Guarantees issued by third parties shall remain unaffected.

11.2

BUGATTI shall be entitled to assert all legal claims relating to defects to their full extent, this in addition to the rights arising from a possible properties or service life guarantee. BUGATTI is, in all cases, entitled to demand that the supplier rectify the defect or replace the goods in question, this at its own discretion. BUGATTI expressly reserves the right to compensation, in particular to compensation as opposed to replacement service provision.

11.3

In the event that the delivery object is merely defined by type, the supplier shall be liable in the event that the type-specific service to be provided cannot be deemed impossible for any other supplier, this regardless of any fault in conjunction with the condition of the goods in question, unless the supplier is prevented from providing the specified level of goods-related condition on the grounds of force majeure. Please also see figure 10.4.

11.4

In the event that BUGATTI sets the supplier a deadline without specifying the type of supplementary performance required (rectification of deficiencies or the delivery of defect-free goods), this should be interpreted in the following manner, namely that BUGATTI shall leave the supplier free to decide on the type of supplementary performance to be provided.

11.5

In the event that BUGATTI sets the supplier a deadline for supplementary performance to no avail, BUGATTI shall be entitled to demand the rectification of a defect at the expense of the supplier itself or by a third party, and the reimbursement of the relevant expenditure incurred, this in place of contractual rescission or defect-related mitigation, unless execution by substitution is only possible at disproportionate expense. Here, particular consideration should be given to the significance of the goods for the purchasing party and the negative influence on the usual use of the goods or the use stipulated by the contract and their value in a defect-free state.

11.6

In exceptional cases, BUGATTI shall be entitled to rectify a defect itself or via a third party at its own expense, this despite the fact that a specific, appropriate deadline set for the supplier by BUGATTI has not yet passed fruitlessly, this in the event that the defect constitutes a concrete danger to life, physical existence, health or other protected legal goods in accordance with § 823 of the BGB (German Civil Code) and waiting for a rectification of the said defect by the supplier no longer proves reasonable on the grounds of the aforementioned risk. The supplier should be informed of the abovementioned risk and its imminent rectification as far as possible, this in order to give it the opportunity to rectify the defect and the associated risk immediately as far as it is able to do so.

12. Limitation

BUGATTI's claims regarding a lack of, or defect associated with the delivered goods in accordance with § 437, nos. 1 and 3 of the BGB (German Civil Code) shall become time-barred within five years in the case of goods which have been used for construction purposes in accordance with their usual form of use and have resulted in the deficiency of the said construction and in all other cases within three years of the delivery of the goods in question.

§ 438, para. 3 – 5 of the BGB (German Civil Code) shall remain unaffected.