





## GENERAL TERMS AND CONDITIONS OF BUSINESS

Terms of delivery, payment and warranty  
Effective from 01.07.2006

### **1. Applicability:**

The following General Terms and Conditions of Business are a component part of all contracts concluded by HARTGE whenever our offers relating to the conclusion of such contracts draw express attention to the applicability of these General Terms and Conditions of Business.

### **2. Contract offer and conclusion of a contract:**

A contract for sale or work with HARTGE only comes into effect when the binding offer made in writing by HARTGE is accepted by the buyer / customer. The buyer / customer can also accept the offer orally.

### **3. Delivery and delay in delivery:**

Goods purchased will be despatched without delay after receipt of the amount invoiced by HARTGE.

In the case of orders sent cash on delivery, the goods will be despatched without delay on conclusion of the contract.

If goods offered for sale are not in stock, the offer made by HARTGE will include an estimate of the approximate delivery time to be expected.

In the case of a contract for work (especially for engine, suspension and vehicle conversions), a completion date will be negotiated and agreed in detail.

### **4. Terms of payment and shipping:**

The amount invoiced shall be the contractually agreed price plus packaging and shipping costs as well as insurance costs, if applicable.

If the goods sold are sent at the buyer's request to any place other than D-66701 Beckingen, the risk (of accidental damage or the loss of the goods) shall pass to the buyer inasmuch as HARTGE has handed over the goods to a forwarding agent, haulage contractor or other person or company nominated to handle the shipment.

In general, all goods purchased will be shipped without insurance unless insured shipment has expressly been agreed with the buyer. In this case, the buyer shall bear the insurance costs.

In principle, goods will only be shipped against cash on delivery or payment in advance.

If, however, goods are shipped to the buyer's account, the buyer shall be in default of payment if the payment deadline given in the invoice is exceeded.

### **5. Retention of title to ownership:**

The goods sold remain the property of HARTGE until payment has been made in full.

The buyer shall not acquire ownership of conditional goods by processing them (Article 950 of the German Civil Code (BGB)). The buyer shall carry out any processing work for HARTGE. The new product shall act as security for HARTGE's claim against the buyer – but only to the value of the conditional goods. In the case of processing work involving goods not belonging to HARTGE, HARTGE shall be entitled to joint ownership of the new product in the ratio of the value of the conditional goods to the other goods processed.

The new products shall be considered conditional goods as contemplated by these terms and conditions.

The claims of the buyer from the resale of the conditional goods are now hereby assigned to HARTGE, regardless of whether the conditional goods are resold to another customer with or without being processed. The assigned claim shall act as security for HARTGE – but only to the value of the conditional goods sold.

For the case that the conditional goods should be sold by the buyer together with other goods not belonging to HARTGE, regardless of whether the sale takes place with or without the goods having been processed, the claim to the selling price assigned shall not exceed the value of the conditional goods.

The buyer is only authorised to resell the conditional goods under the condition that the claim to the selling price from the resale of the conditional goods be assigned to HARTGE. The buyer is not entitled to dispose of the goods in any other way!

The buyer is empowered to collect the claim but not to dispose of the claim in any way, especially not to assign it. As long as the buyer meets his payment obligations correctly, HARTGE will not make use of its collection rights. On request, the buyer must disclose the debtors of the assigned claims and inform them of the assignment.

The retention of title in accordance with the above conditions shall also remain in force when individual claims of the buyer have been included in a current invoice and the balance confirmed.

## **6. Warranty:**

### a) Vehicle parts:

In connection with the sale of vehicle parts, HARTGE guarantees that these parts are free of defects, in particular that they are suitable for the application intended in accordance with the contract of sale and, inasmuch as a particular application has not been expressly agreed, that they are suitable for ordinary usage and they have the qualities common to products of the same kind and can be expected by the buyer from that kind of product.

The warranty shall be null and void if the buyer has made unauthorised and improper modifications or changes or if the buyer or a third person fits vehicle parts incorrectly.

The same applies to vehicle parts that are not expressly sold as 'competition parts' but are used in motor races or under competitive conditions.

### b) New HARTGE engines:

In the case of new HARTGE engines, the performance of which has been increased in comparison to their series counterparts, HARTGE shall warrant them for a period of 24 months. The warranty begins with the date of invoice.

### c) New vehicles:

New vehicles of the 'HARTGE' make are warranted to be free of material defects for a period of 24 months. The warranty begins with the date of invoice.

### d) Customer-vehicle conversions:

In the case of conversions to customer vehicles (bodywork, suspension, engine modifications, etc.), HARTGE shall give a warranty for a period of 12 months with no mileage restriction on those parts that have been exchanged or were the subject of processing. The warranty begins with the date of invoice.

### e) Used cars:

Used cars sold by HARTGE in its own name are warranted to be free of material defects for a period of one year. The warranty begins with the date of invoice.

If defects should occur on the products mentioned under a) – e) above, the buyer / customer must notify HARTGE of them in writing without delay.

This also applies if there is a possibility that, as a result of the fitment of parts purchased or conversions made, defects could appear on other vehicle parts / functions that were not the subject of the part fitment / conversion but could represent defects consequent upon such measures.

In the case of a material defect, the right of the buyer / customer is limited to the elimination of the defect (rectification) by HARTGE.

Should two or more attempts to rectify the same defect prove unsuccessful, the buyer / customer is entitled to reduce the purchase price, to rescind the contract or to make use of any other statutory rights.

Warranty work in connection with defects on the products mentioned under a) – e) above may only be carried out by HARTGE unless the contracting parties have made an express agreement to the contrary.

The warranty shall be rendered null and void if:

- the maintenance work specified in the BMW service manual is not carried out correctly;
- the regulations of the BMW operating manual are ignored;
- the vehicle or the parts as contemplated by Section 6 a) – e) above are used in races or under competitive conditions;
- the vehicle is subsequently technically modified in a way not approved by HARTGE.

#### **7. TUV approval:**

After the installation of HARTGE parts, the buyer / customer is only entitled to have changes to his / her vehicle requiring official approval entered by the TUV testing authority in the vehicle documents at the TUV station that prepared the expertise applying to the part(s) concerned.

#### **8. Place of performance and fulfilment:**

The place of performance and fulfilment for all obligations made by HARTGE to a buyers / customer is D-66701 Beckingen.

#### **9. Jurisdiction:**

The place of jurisdiction shall be Saarbrücken. For all current and future claims arising from the commercial relations with fully qualified merchants Saarbrücken shall be the exclusive place of jurisdiction.

#### **10. Severability clause:**

Should individual parts of these General Terms and Conditions of Business be invalid, this shall not affect the validity of the remaining provisions that are not directly linked to the invalid provision.

#### **11. Language:**

The language of this Agreement is German, and all questions of construction and interpretation of the Agreement shall be based upon the German text of the Agreement, and not upon any translation thereof.