

GENERAL CONDITIONS OF PURCHASE



1. Scope

These conditions of purchase apply to all current and future transactions between us and the supplier. Further, we will not be bound by any of the supplier's conditions that we have not expressly recognised even if we do not expressly object to them. The acceptance of goods and services does not constitute recognition of the supplier's conditions of sale.

2. Quotes

2.1. When making us a quote the supplier is required to adhere to the terms of our enquiry. In the case of deviations from our enquiry, the supplier is required to refer expressly to such deviations. Documents, drawings and other items supplied by us for use in preparing a quote are to be returned to us with the quote. The supplier will be bound to a quote prepared by him for at least 12 weeks.

2.2 Estimates are binding and will not be paid for unless otherwise expressly agreed.

3. Confirmation of Orders

3.1 Orders are to be confirmed in writing immediately giving a binding delivery date, our order number and the remaining complete order information. If the confirmation has not been received by us within 10 days, the order will be considered to have been accepted by us at the prices and conditions laid down by us.

3.2 Where the confirmation deviates from the order, the deviations must be expressly specified. These deviations will only become an integral part of the contract if confirmed in writing by us.

4. Delivery Periods

4.1 The goods must be supplied at the place of fulfilment for the delivery on the agreed delivery date, within the agreed delivery deadline or at the place of fulfilment immediately after our call for delivery at short notice.

4.2 As soon as the supplier is aware of deviations to the delivery date, the supplier is required to notify us of this information immediately, giving the reasons for, and notifying us of, the new delivery date. Losses resulting from a breach of this requirement will be borne by the supplier.

4.3 Where deliveries are made before the stated delivery dates we will be entitled at our option to refuse delivery and to return the goods to the supplier at his expense and risk, to charge him for any resulting extra costs or to fix the value date of the invoice as the agreed delivery date.

4.4 After the delivery date or the expiry of the delivery deadline, the supplier will be in arrears without any reminder from us.

4.5 If the supplier falls into arrears, he will be liable for all consequences resulting from the delayed delivery to a minimum of 1.5% of the value of the goods per week without us being obliged to prove evidence of loss. The supplier will be required to prove that our loss is lower. After the fruitless expiry of an appropriate later deadline we will also be entitled to refuse fulfilment of the service and to demand compensation for the entire service. In particular, we will be entitled to conduct covering transactions at the supplier's expense; (.) this also applies in the case of partial deliveries. Even if the supplier is not responsible for failure to adhere to the delivery date we are also entitled to withdraw wholly or partially from the contract following the fruitless expiry of a later deadline. The later delivery date may not apply for the reasons mentioned in Paragraph 323 of Section 2 of the German Civil Code.

4.6 The supplier may only invoke the failure on our part to supply necessary documents if he has reminded us to send the documents and has not received them immediately.

5. Delivery

5.1 The supplier is only entitled to make partial deliveries if we call for the goods in partial quantities from him at short notice.

5.2 Over-deliveries are only permissible with our prior written consent.

5.3 Each delivery must be accompanied by a delivery note showing a description of the goods, drawing number or other supplier article number, our order number, the remaining complete order data, the branch / department that ordered the goods and the net and gross weight of the goods. In the case of partial deliveries the remaining quantity of the goods to be delivered is also to be shown. If this information is missing or if the shipping documents have been incorrectly prepared, all resulting extra costs (at least €100.00 per delivery) will be charged to the supplier.

6. Packaging, Transport, Transfer of Risk

6.1 The costs of packaging and transporting the goods to the place of fulfilment are borne by the supplier. This also applies if the goods are returned. If a separate charge for packaging has been agreed, this will be credited to us in full if the goods are returned freight-free.

6.2 We will only accept neutral packed deliveries in re-usable transport packaging or if the packaging is marked with a corresponding recycling symbol. We will only accept deliveries of goods in polyurethane foam packaging, PA or PVC film, compound film, shrink-wrap or on one-way pallets by prior mutual arrangement. If any deliveries are nevertheless made in breach of these conditions, we will be entitled to dispose of the packaging at the supplier's expense or return it freight unpaid (minimum charge € 20.00).

6.3 The supplier will bear transport risk. Risk will not transfer to us until we have accepted the goods at the place of fulfilment. We do not bear the cost of transport insurance.

6.4 Dangerous goods are to be suitably marked as such for the end consumer and safety specifications are to be supplied with the goods.

7. Prices

The agreed prices are fixed prices. Price increases or price reserves will require our written consent. In the case of decreasing market prices, a de-escalation clause will be deemed as having been agreed.

8. Invoicing / Conditions of Payment

8.1 The invoice must show our order number and the other, full ordering data, a description of the goods, the item price and the number and date of the delivery note. Value added tax included in the price must be shown separately. Invoices submitted from the European Economic Zone must carry the eight-figure foreign trade statistics number.

8.2 Payment is made after all goods or services and the invoice respectively have been received at the agreed conditions on the fifteenth and the thirtieth of the month less a minimum 3% discount or in full 30 days later. Payment is made subject to verification of the invoice.

8.3 If the contract is made null and void, cancelled or rescinded for whatever reason, 8% interest over the base lending rate of the German Bundesbank is to be added to the payments made by us from the moment the contract is ended, regardless of any further claims we may have. Regardless of any interim changes in the exchange rate, foreign suppliers will be required to repay the euro amount paid by us together with the above-mentioned interest rate in euros.

9. Assignment of Accounts Receivable

Accounts receivable may only be assigned to third parties with our written consent.

10. Quality

10.1 The supplier guarantees that the supply of goods or services supplied comply with industrial safety, accident prevention and other legal requirements, the latest recognised principles of technology and our ordering documentation, including drawings, plans, samples, specifications and the like and the usual required characteristics appropriate to the intended purpose as guaranteed by the supplier. The supplier also guarantees that the goods are from current production and are not outdated.

- 10.2 The supplier is required to carry out suitable quality management procedures according to the latest state of technology and suitable for type and scope, to document the results in a suitable form and to keep these for an appropriate period, initially for at least five years.
- 10.3 The supplier provides inspection documentation and mixing ratios of the materials used on request.

11. Liability for Faults

- 11.1 We will inspect goods and services supplied to us following receipt for completeness and quality as far as we are able. A 14-day deadline for reporting obvious defects to goods following receipt by us or, in the case of transfer orders, after receipt by the customer, will be deemed to have been agreed to. If we are required to check the goods to an extent over and above usual practice due to having been supplied with defective goods or services, the supplier will be required to bear the extra costs of at least €100.00 per delivery.
- 11.2 A 14-day deadline will apply for notifying concealed defects after the discovery of the defect at our premises or after we have been notified of the defect by our customer.
- 11.3 If we are supplied with defective goods or services, we will, at our option, be entitled to have the defect rectified or to have the goods replaced free of charge and to be reimbursed for the costs connected with supplementary fulfilment. After the fruitless expiry of a later deadline, we will be entitled to repair the defect or have it repaired at the expense of the supplier, to withdraw from the contract or to reduce the purchase price. The later deadline may not apply for the reasons mentioned in Paragraph 323 of Section 2 of the German Civil Code.
- 11.4 In the case of dereliction of duty on the part of the supplier or in the case of dereliction of duty arising from the assumption of a guarantee or a purchase risk by the supplier, we will be entitled to demand compensation or, after the fruitless expiry of an appropriate later deadline, to demand compensation for the entire service instead of requiring fulfilment of the entire service.
- 11.5 Claims arising from dereliction of duty will expire after 36 months provided the law or customary business practice do not provide for a longer deadline. In the case of replacement deliveries, the expiry period will recommence from the moment our claims have been satisfied. In cases where the defect is remedied, this will be limited to the repaired parts of the delivery.
- 11.6 On account of performance, the supplier will assign to us all claims against his upstream-suppliers connected with dereliction of duty. If required, he will give us without hesitation all documentation required to assert these claims.
- 11.7 The supplier will expressly forego objections to the belated notification of defects. Payment of the invoice by us will not imply that we consider that the goods or service supplied are free of defects.

12. Liability

If we are made liable for reasons of law, the breach of official safety regulations, the breach of industrial property rights of third parties or for other reasons, we will be entitled to demand compensation from the supplier for the loss caused if the goods or services supplied by the supplier were the cause of the loss that occurred. This will also apply especially to the costs resulting from, or related to, the prosecution of legal action or any recall campaign.

13. The Supply of Production Equipment

- 13.1 Production equipment supplied by us or made for us (illustrations, drawings, models, tools, samples, templates, working documents and the like) may be used solely for preparing quotes and to fulfil our orders. They may not be made accessible to third parties without our written consent. Until further notice they are to be stored appropriately and free of charge until further notice for a maximum of three years after their last use and then returned to us. They are to be insured by

the contractor against destruction or loss. If necessary, their use and value are to be preserved through proper maintenance.

- 13.2 The acceptance or taking possession of production equipment does not imply that we will forego guarantee or compensation claims or assume liability for deviations from dimensions, errors, or breaches against patents, licences or other rights of third parties.
- 13.3 The supplier is required to keep his own production equipment ready for use from the moment of the last standard production run for a period of 10 years. At our request he will be required to supply us at our request with goods produced using this production equipment.

14. Confidentiality

- 14.1 All enquiries, orders, work, deliveries, other correspondence or other items provided to prepare quotes or produce goods or services are to be regarded as business secrets and are to be treated confidentially. This will also apply to their anonymised passing-on to third parties. Subcontractors are to be required to subject themselves to this requirement correspondingly.
- 14.2 The supplier may only use this business relationship for advertising purposes with our prior written consent.

15. Declarations on the Status of the Original Characteristics

If the supplier makes declarations concerning the original characteristics of the product, he will undertake to permit the verification of this evidence of origin by the Customs authorities, to provide the necessary information and to supply the necessary certifications. If the declared origin is not recognised by the responsible authorities due to culpable actions by the supplier, the supplier will be liable for the resulting losses.

16. General Provisions

- 16.1 The place of fulfilment for the supply of goods or services is Waechtersbach or the delivery address nominated by us. The place of fulfilment for payment is Reutlingen.
- 16.2 The place of jurisdiction will be Reutlingen, the registered offices of the supplier or the place of fulfilment as we see fit.
- 16.3 The laws of the Federal Republic of Germany apply, including in relation to foreign partners; this excludes international purchasing law.
- 16.4. Should individual provisions of these General Terms and Conditions of Business be or become ineffective, this will not affect the legal validity of the other provisions. The contractual partners will be obliged to replace the ineffective provision with a provision that comes as close as possible to its commercial outcome.

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