

General Purchasing Conditions 10/2006

I. General Area of Application

- (1) Our purchasing conditions apply exclusively; contrary or deviating purchasing conditions of the supplier shall not be recognized, unless we have explicitly agreed to these in writing. Our purchasing conditions still apply when we accept deliveries without reservation knowing of deviating conditions on the part of the supplier.
- (2) All agreements concluded between us and the supplier for the purpose of implementation of a contract are to be recorded in writing.
- (3) Our purchasing conditions apply only for companies within the meaning of Section 14 BGB (German Civil Code). They shall also apply to all future business transactions with the supplier.

II. Prices / Conditions of payment

- (1) The price specified in the order is binding. Where no deviating written agreement exists, the price includes delivery free our plant.
- (2) Invoices can only be processed when – in keeping with the specifications in our order – they include the identified order number; all consequences arising from a failure to observe this obligation shall be the responsibility of the supplier.
- (3) Invoices may only be issued following complete delivery of the order. Unless an other written agreement exists, we shall pay the purchase price within 20 days of receipt of the invoice, deducting 3%, or within 30 days net.
- (4) We reserve full legal set-off and retention rights.

III. Delivery / Delivery date / Delays / Contractual penalty

- (1) All deliveries shall be made free our premises (Incoterms).
- (2) The delivery date specified in the order is binding. For the purpose of determining the punctuality of delivery, the time of delivery at the stipulated destination shall be authoritative.
- (3) The supplier is obliged to inform us immediately and in writing should circumstances occur or become indicated which could result in an inability to comply with the agreed delivery date.
- (4) Should the supplier fall behind in provision of the contractually agreed product or service, we shall be entitled to claim, for each full week of delay, indemnification amounting to 0.5% of the value of the part of the consignment not yet delivered by the supplier, but no more than 5% in total. This does not, however, exclude the assertion of further claims as stipulated in the legal provisions.
- (5) The supplier is obliged to observe all national and international import and export regulations applying in Germany. The supplier is obliged to inform us of the origin of all goods to be supplied where, due to regulations applying nationally or internationally, particularly US re-export regulations, these could lead to export restrictions in further distribution of the finished goods even where these have been installed or modified. Any delays in supply resulting from non-observance of this obligation by the supplier will lead to a claim for compensation on our part in accordance with (4) of this regulation

IV. Documentation / Packaging

- (1) The supplier is obliged to specify our order number on all shipping documents and delivery notes; failure to comply can result in delays in processing for which we shall not be held responsible.
- (2) Where packaging is necessary, we shall only accept delivery in 1200 x 800 mm Euro pallets, in Euro pallet cages or in paper board containers printed with "RESY" or "Grüner Punkt". Bags, shrink-wrapping, stretch film and strapping may only be made from PE or PP, filling materials from polystyrene or eco-paper.

V. Inspection for defects / Liability for defects of material or title

- (1) Where no deviating agreement has been reached, we shall examine the goods supplied within a reasonable time for any deviations in quality or quantity. In any case, any notification of defects is to be submitted to the supplier in good time provided they become apparent within two weeks of delivery of the goods to us. The supplier/vendor shall be liable for any defects in material or title as stipulated in the legal provision.

VI. Product liability / Exemption / Indemnity insurance

- (1) Where the supplier is liable for product defects, he is obliged to exempt us from claims for damage by third parties upon first request.
- (2) Within this framework, the supplier is also obliged to reimburse us for any costs within the meaning of Sections 683, 670 BGB resulting from, or in the context of, any call-back by us. Where possible and reasonable, we shall inform the supplier of the content and extent of the conducted call-back measures and give him the opportunity to state his position.
- (3) The supplier undertakes to maintain product liability insurance with an insured sum of at least 0.75 million € per personal injury / material damage - lump sum -. Should we be entitled to assert further claims for indemnification, our right to do so shall be unaffected.

VII. Property rights / Confidentiality

- (1) The supplier shall guarantee that no third-party rights shall be infringing in the context of delivery to us.
- (2) Where such claims are asserted against us by third parties, the supplier shall be obliged to exempt us from these claims upon the first written request.
- (3) The supplier's obligation of indemnification relates to all costs incurred by us from or in the context of the claims by third parties.
- (4) We shall retain all property rights to and copyright on illustrations, drawings, calculations and other documentation. The supplier is obliged to keep this documentation and information strictly confidential. They may be shown to third parties only with our specific approval. The confidentiality obligation continues to apply after completion of this contract; it expires when and to the extent that the manufacturing procedure contained in the illustrations, drawings, calculations and other documentation becomes general knowledge.

VIII. Reservation of property rights (Provision / Tools)

- (1) Where we provide tools to the supplier, we shall retain the property rights thereto. Processing or transformation shall be undertaken by the supplier on our behalf. Where our reserved property is processed with other objects not belonging to us, we shall acquire co-ownership of the new object in the ratio of the value of our property to the other processed objects at the time of the processing.
- (2) Where the object provided by us is inseparably mixed with objects not belonging to us, we shall acquire co-possession of the new object in the ratio of the value of the reserved property to the other mixed objects at the time of the mixing. If the mixing is carried out in such a way that the supplier's object can be regarded as the main item, it shall be considered agreed that the supplier shall transfer co-ownership pro rata to us; the supplier shall hold the solely-owned or co-owned property on our behalf.
- (3) We shall retain ownership of tools; the supplier is obliged to use the tools exclusively for the manufacture of the goods ordered by us and to insure the tools belonging to us at their replacement value and at his own expense against fire, water damage and theft. He is obliged to carry out the necessary maintenance and inspection work at his own expense and in good time. Any abnormal occurrence shall be reported to us immediately. If this is culpably omitted, the indemnity claims remain unaffected.

IX. Court of justification / Place of fulfilment / Severability Clause

- (1) Provided the supplier is a "Vollkaufmann" (merchant who has been entered into the commercial register), our principal place of business shall be the court of jurisdiction. We are, however, entitled to take action against the supplier in the court in his place of business.
- (2) Where not otherwise agreed, our principal place of business is the place of fulfilment.
- (3) The laws of the Federal Republic of Germany shall apply. Should individual clauses or sub-clauses be or become invalid, or should they prove to be in contravention of legal prohibition, the validity of the remaining clauses and sub-clauses shall not be affected. These shall remain in effect. The invalid or prohibited clause shall be replaced by the regulation which comes closest in economic intent to the invalid or prohibited clause.