

General Terms of Purchase of BinderGroup and its Associated Companies

1 General

These terms shall become a part of the purchase agreement. Conflicting or deviating supply terms or other restrictions of the supplier will not be recognised unless we have expressly consented to them in writing in the individual case.

Other agreements, amendments and subsidiary arrangements shall only be valid if we have expressly agreed to them in writing.

2 Quotation

In its quotation the supplier must adhere precisely to the enquiry and expressly advise of any deviations.

Quotations must be given free of charge and shall not establish any obligation on us. Payment will only be made for cost estimates by special agreement.

3 Purchase Order

We will issue purchase orders and changes to purchase orders in writing. In case of doubt, the content of verbal and telephone discussions will only be binding if confirmed in writing.

The supplier must confirm each purchase order and change of purchase order in writing and treat them separately in all correspondence.

All correspondence must indicate our complete purchase order number, the purchase order date and the reference/name of the ordering party.

4 Delivery Period

The delivery period will commence on the date of the purchase order. As soon as the supplier can assume that it will no longer be able to fulfil some or all of its contractual obligations in time or at all, it must inform us thereof without delay, stating the grounds and the anticipated duration of the delay. If the supplier fails to notify us accordingly, it cannot appeal on the basis of the obstacle.

If the supplier fails to perform within the agreed delivery period, it shall be liable in accordance with statutory provisions. Pursuant to section 340 (2) of the German Civil Code (BGB), this shall be without prejudice to any contractual penalty that may have been agreed for the case of late delivery. If a contractual penalty has been agreed, it may be asserted until the due date of the final payment without the need for a reservation pursuant to section 341 (3) BGB or section 11 (4) of Part B of the German Construction Contract Procedures (VOB/B).

5 Warranty, Notification of Defects and Liability

The supplier warrants that the delivery item does not have any defects impairing its value or fitness for purpose, that it has the agreed or guaranteed quality, that it is suitable for the use assumed under the contract, and that it conforms to the generally recognised rules of the art, the latest provisions of the authorities, the German Product Safety Act, the respective valid safety requirements and provisions on occupational safety and the prevention of accidents.

If the delivery item does not conform to them, the ordering party may at its option demand rectification of the defect or the delivery of a defect-free item, or, in accordance with statutory provisions, withdraw from the contract or reduce the purchase price or demand compensation or recompense for futile expenses.

If the supplier has provided a guarantee for the quality or durability of the delivery item, the ordering party may additionally assert the claims under the guarantee. This will not apply for defects or damage to the delivery item that are caused by

a) normal wear and tear or

b) improper treatment by us. As soon as defects in the delivery item are discovered in the ordinary course of business, we will give notice of these without delay. The above provisions shall apply mutatis mutandis for services such as assembly, maintenance, etc.

The statutory limitation periods shall apply unless expressly agreed otherwise.

The warranty of the supplier shall also extend to the parts manufactured by its sub-suppliers.

In the case of notification of defects, the limitation period shall be extended by the time between notification of the defect and rectification of the defect. If the delivery item is replaced entirely, the limitation period shall commence afresh; in the case of partial replacement, this shall apply for the replaced parts.

Those parts which are the subject of complaint under the warranty shall remain at our disposal until replaced and shall not become the property of the supplier until replaced.

In urgent cases or if the supplier is in default or fails to rectify the defect, we may rectify the defects at the expense of the supplier or have recourse to the other warranty rights under clause 5.

Our acceptance of the goods and services shall be without prejudice to the supplier's duty of warranty.

The supplier shall indemnify us against claims brought against us based on producer liability and under the German Product Liability Act if the supplier or its sub-suppliers has caused the product defect triggering the liability.

In other respects the supplier shall be liable in accordance with statutory provisions.

6 Inspections

If inspections are provided for the delivery item, the supplier shall bear the material costs and its own personnel costs for the inspection. We will bear the costs of our own personnel for the inspection. The supplier shall be obliged to notify us of readiness for inspection at least one week in advance and shall agree a date for the inspection with us. If the delivery item is not presented on this date, the supplier shall bear the costs of our personnel for the inspection. If repeated or further inspections are required as a result of defects discovered, the supplier shall bear all material and personnel costs for these. The supplier shall bear the material and personnel costs for the material certificates for primary materials.

7 Insurance

Binder alone will take out transport insurance. We expressly waive additional SLVS insurance coverage in accordance with section 21.3.1 of the German Freight Forwarders' Standard Terms and Conditions (ADSp)! Deviating agreements shall require our written consent.

The supplier shall at its own expense take out adequate third-party liability insurance for damage caused by it, its personnel or its agents through services rendered, work performed or items delivered. Evidence of the amount of the sums insured per damaging event must be submitted to us on request. The conclusion of special assembly insurance in addition to third-party liability insurance shall require agreement between us and the supplier in the individual case.

The supplier shall insure machines, devices, etc. lent to us against the usual risks. No further liability for the destruction of or damage to the lent machines, devices, etc. shall exist except in cases of intent or gross negligence.

8 Shipping Instructions

Deliveries must be accompanied by the delivery note and packing slip. In the case of shipping by boat, the shipping documents and invoice must state the name of the shipping company and of the boat. The supplier shall select the most suitable and cheapest means of transport. The order references and information on the unloading points specified by the ordering party must be indicated in full in all dispatch notes, delivery notes, packing slips, bills of lading and invoices and on the outer packaging.

The supplier shall always pack, label and ship dangerous goods in accordance with the nationally/internationally applicable provisions. In addition to the hazard class, the accompanying documentation must also contain the further information specified in the respective transportation regulations.

The supplier shall be liable for damage and shall assume the costs incurred through failure to observe these regulations. It shall also be responsible for the compliance of its sub-suppliers with these shipping regulations.

All shipments which cannot be accepted due to failure to observe these regulations will be stored at the cost and risk of the supplier. We shall have the right to ascertain the content and condition of such shipments. Tools and retooling equipment may not be loaded together with delivery items.

9 Billing

Should the supplier reduce its prices and improve the terms in the period between the purchase order and delivery, the prices and terms valid on the day of delivery shall apply.

10 Invoices

Invoices must conform to the purchase order in terms of the expressions used, the order of text and prices. Any excess or short performances must be listed separately on the invoice.

Payment periods shall run from the defined date, but not earlier than from receipt of the goods and invoice.

Payment does not constitute recognition of terms and prices. The date of payment shall have no bearing on the warranty of the supplier and on the right to notify defects.

11 Documents

All drawings, standards, guidelines, manufacturing resources and other documents which the ordering party lends to the supplier for manufacture of the delivery item and those documents prepared by the supplier according to specific information from Binder shall remain our property and may not be used by the supplier for other purposes, may not be duplicated or made available to third parties. They shall be surrendered together with all copies and duplicates without delay on our demand. We reserve the industrial property rights to all documents given to the supplier. The supplier shall regard the enquiry and purchase order and the work relating to them as a trade secret and shall accordingly treat them in confidence. It shall be liable for all damage we suffer as a result of a breach of one of these obligations. The supplier shall present to us all the documents needed for discussion of the delivery item. Any such discussion or other participations shall rest solely within the supplier's area of responsibility and shall not release it from any warranty or other obligations.

The supplier shall provide documents of all kinds which we need for the use, erection, assembly, processing, storage, operation,

maintenance, inspection, servicing and repair of the delivery item free of charge, unsolicited and in a timely manner.

The latest version of each of the standards and guidelines listed by the ordering party shall apply. The supplier must request works standards and guidelines of the ordering party in good time if they have not already been made available.

12 Items

Moulds, models, tools, films, etc. which have been produced by the supplier in order to execute the purchase order shall become our property upon payment even if they remain in the possession of the supplier. These items shall be delivered to the ordering party upon request.

13 Assembly, Maintenance, Inspection, Repair, etc.

If assembly, maintenance, inspection, repair, etc. is performed in one of our plants, the work to be performed shall be governed by the statutory health and safety regulations. We will not bear the risk for property of the supplier or its workforce that is brought into the plant.

14 Patent Violation

The supplier shall be liable for ensuring that the supply and use of the delivery items do not violate patents, licences or property rights of third parties. The supplier shall bear any licence fees.

15 Advertising Material

Only with the express written approval of the ordering party is it permitted to refer to the business relationship with us in the supplier's information and advertising material.

16 Applicable Law, Interpretation of Clauses, etc.

German law shall apply. Application of the UN Sales Convention of 11.04.1980, applicable from 01.01.1991, is excluded.

Common commercial clauses shall always be subject to the version of INCOTERMS[®] (ICC) currently applicable and will be agreed in writing where necessary.

17 Origin of Goods

The goods supplied must meet the origin requirements of preferential agreements of the EEC unless expressly stated to the contrary in the order confirmation.

18 Place of Performance and Place of Jurisdiction

Unless otherwise indicated in the purchase order, the place of performance shall be the receiving point specified by the ordering party. The place of jurisdiction shall be Ulm (Germany).