

Purchase Conditions of SABEU Kunststoffwerk Northeim GmbH

1 January 2003

1. General

- 1.1 The legal relationships between the supplier and SABEU Kunststoffwerk Northeim GmbH – hereinafter referred to as the “buyer” - shall be based on the terms of the order and on the terms of these purchase conditions.
- 1.2 Other general business terms and conditions of the supplier shall not be valid even if they have not been specifically rejected in each individual case. Modifications and amendments to these purchase conditions shall only be made upon prior written consent of the buyer.
- 1.3 Tacit acceptance of deliveries and services, together with, any payments made by the buyer, shall not be considered to be acceptance of conflicting terms and conditions of the supplier.

2. Supply Contract

- 2.1 Supply contracts (order and acceptance) and the purchase of supplies by issue of release orders as well as modifications and amendments thereto, shall be made in writing; orders placed orally or by telephone shall only be legally binding if confirmed in writing by the buyer. This shall also be true for subsequent modification to any order already placed.
- 2.2 In the event that an order is not accepted by the supplier within 3 weeks after its receipt, the buyer shall be entitled to withdraw from the contract without incurring any costs in this respect. The purchase of supplies by issue of release orders shall become binding if the supplier does not object within 2 weeks after its receipt.
- 2.3 In the event that the supplier stops payments or bankruptcy proceedings are initiated on his assets, the buyer shall be entitled to withdraw from the part of the contract yet to be performed.
- 2.4 Sub-contracting of orders to third parties shall be inadmissible without the prior written consent of the buyer. This rule shall not apply in the event the supplier is a trader.
- 2.5 Correspondence relating to the order shall exclusively be sent to the department issuing the order indicating order number and other order references.
- 2.6 In the event that the supplier has been notified of the intended use of the supply or service or such intended use is obvious to the supplier, the supplier shall be obliged to inform the buyer immediately if the supply or service is not suitable for the intended use.

3. Delivery Date

- 3.1 Agreed dates and times for delivery shall be binding.
- 3.2 The authoritative criterion for compliance with delivery terms shall be the receipt of goods for deliveries of supplies and services, which do not include mounting and installation, and

technical approval for deliveries of supplies and services, which include mounting and installation.

- 3.3 The supplier shall inform the buyer immediately in writing, if the deliveries or services to be rendered will be delayed. The buyer shall be entitled to rescind the contract, if it is obvious that the deliveries or services to be rendered will not be on time or poor in quality and that the supplier will not be able to perform his contractual duties even if he is given a reasonable extension. Furthermore, the buyer shall be entitled to rescind the contract, if after careful consideration of the mutual interests of the parties an immediate withdrawal is justified.

A rescission shall be excluded, if the buyer is solely or predominantly responsible for the circumstance granting the right to rescission or if such circumstance, which the supplier is not responsible for occurs at a time when the buyer is already in default with his contractual duty to accept the goods.

- 3.4 The supplier shall be liable for any damages caused by the delay.

- 3.5 In the event of delayed supplies - also in the event of these being no fault of the supplier - the buyer shall be entitled to withdraw from the contract after setting a period of grace. The buyer shall be entitled to keep partial deliveries of supplies and to rescind the rest of the contract.

4. Packing and Dispatch

- 4.1 Unless otherwise agreed upon, the goods to be supplied shall be packed in a manner customary in trade and proper. The supplier shall be liable for any damages caused by defective packaging.

- 4.2 Unless otherwise agreed upon, any crates, barrels and other packaging materials of value returned with carriage prepaid shall be credited to the buyer.

- 4.3 Order numbers and any other order references shall be stated in the shipping documents. The supplier shall be liable for any incorrect statements in the shipping and freight documents.

- 4.4 Dispatch shall be effected free buyer's address. Advances for freight charges shall not be paid. Insurance fees, packaging costs, customs duty, charges, taxes and other costs shall be borne by the supplier. In the event of a price setting ex works, delivery shall be effected at the lowest price unless the buyer has stipulated a certain method of transportation.

5. Transfer of Risk

- 5.1 In the event that delivery of supplies does not include mounting and installation, the risk shall be transferred to the buyer with the receipt of the goods at the address stipulated by the buyer. In the event that the delivery of supplies includes mounting and installation and also in the event of services rendered, the risk shall be transferred to the buyer upon technical approval.

6. Warranties

- 6.1 The supplier shall be liable to the buyer that the goods supplied and services rendered are free of any defects, which annul or reduce its value or suitability for its normal use or use specified by the contract. The supplier shall also be liable for the compliance of the goods supplied and services rendered with generally approved engineering rules.

- 6.2 The supplier shall warrant that the supplies and services are in accordance with the prevailing statutory and official regulations with respect to their marketability and general use and that they do not violate any third party rights. The supplier shall furthermore warrant that the supplies and services are in accordance with the German legal requirements regarding product safety and product liability.
- 6.3 The buyer shall be entitled to conduct inspections of incoming goods in accordance with DIN 40080 (German Industrial Standard). In the event that the accepted quality standard (AQL) is exceeded, the buyer shall be entitled to reject the delivery as a whole or to conduct a testing of 100 % of the delivery at the suppliers expense.
- 6.4 The warranty period shall be 24 months from the transfer of risk unless a longer period is stipulated in the contract or by statute.
- 6.5 In the event that identical goods are repeatedly supplied in a defective condition, the buyer shall be entitled to withdraw from the contract to the extent in which delivery has not been effected if after a written complaint by the buyer the goods delivered are again found to be defective.
- 6.6 In the event of a defect of the product delivered, the buyer shall be entitled to enforce his statutory warranty claims against the supplier (incl. rescission of the contract in part). In the event that the replacement of the defective goods is delayed or refused or the repair of the goods fails, is refused or is unacceptable, the buyer shall be entitled to damages for non-performance of the contract or to rescind the contract as a whole or in part. A repair shall be regarded as failed, if the first attempt to remedy the defect has been unsuccessful.

7. Acceptance

- 7.1 The buyer shall be released from acceptance and payment obligations if and for as long as the non-performance of such obligations is due to force majeure, such as shortages of raw materials and energy shortages, strikes, demarcation disputes, seizures, interventions of the authorities, war, uprisings, factory shutdowns and generally all other circumstances beyond the control of the parties which prevent one party from fulfilling his contractual obligation.

8. Issuing of Invoices

- 8.1 The supplier shall be obliged to issue the invoice in duplicate immediately after the dispatch of goods, with the copy marked as such. The invoice shall bear the order number and date, together with any other order references, otherwise it shall be returned. The payment period shall commence as from the date of receipt of the re-issued invoice.
- 8.2 Prices agreed upon for supplies and services shall be fixed prices.
- 8.3 Payment shall be effected after the receipt of the goods in accordance with the order and after receipt of a proper and auditable invoice.
- 8.4 In the event that supplies are accepted at an earlier date than stipulated, the due date for payment shall be based upon the agreed delivery date.
- 8.5 Payment shall be effected by bank transfer or by cheque.
- 8.6 In the event of defective supplies, the buyer shall be entitled to withhold payment pro rata until proper performance has been effected.

8.7 The supplier shall provide the buyer with all documentation (e.g. certificates of origin) which are required for obtaining any relief from customs duty, taxation or any other form of relief.

9. Assignments and Pledging of Claims by the Supplier

9.1 The supplier shall only be entitled to assignment or pledging of contractual claims upon prior written consent of the buyer.

10. Liability

10.1 In the event that the buyer is subjected to claims by a third party on the grounds of negligence liability the supplier shall be liable to the buyer in as much as he would directly be liable. The provisions of Para. 254 BGB (German Civil Code) shall apply accordingly to the settlement between the buyer and the supplier with respect to damages paid.

11. Property of the buyer

11.1 Any specimen, production equipment, tools, testing and measuring material, technical documentation and materials etc. provided to the supplier shall remain the property of the buyer. The supplier shall keep them separately from other items in his possession and shall mark them as the property of the buyer. The property of the buyer shall be insured by the supplier.

11.2 In the event that the supplier processes, combines or mixes materials provided by the buyer, the buyer shall either directly become the owner of the goods generated as a result or shall become co-owner of the new product at the ratio of the share of materials provided, respectively. The stipulations in section 11.1. shall apply with respect to the marking and the storage of the goods.

12. Spare parts

12.1 The supplier shall supply spare parts for the goods delivered for the period of the anticipated technical usage of the goods, however, at least for a period of ten years after the date of delivery. These spare parts shall be supplied at a reasonable price and on the terms and conditions of the relevant order.

12.2 In the event that an order for spare parts is not executed because of a discontinuance of such parts or because an agreement on prices and terms and conditions cannot be found, the supplier shall immediately and without extra charge provide the buyer upon his request with the documents required for the manufacture of such spare parts and shall grant the buyer the gratuitous usage thereof.

13. Secrecy

13.1 Models, moulds, designs, specimen and other production aids as well as any confidential information, which has been placed at the supplier's disposal by the buyer or has been paid for by the supplier shall only be used for supplies to third parties upon prior written consent of the buyer.

- 13.2 The parties to the contract shall undertake to treat as business secrets all business and other information which is not evident and came to their knowledge as a result of the business relationship.
- 13.3 Sub-contractors shall be committed accordingly.
- 13.4 The parties to the contract shall undertake to make no promotional use of their business relationship without prior written consent of the other party.

14. Place of Performance, Jurisdiction, Validity

- 14.1 The place of performance for deliveries and the supply of services shall be the plant of the buyer which is stated in the order. The place of performance for payment shall be Northeim.
- 14.2 In the event that the customer is a merchant, a corporate body with public law rights, or a public law entity, the Municipal Court of Northeim (Amtsgericht Northeim) or the District Court of Göttingen (Landgericht Göttingen), respectively, depending on subject matter jurisdiction, shall be exclusively competent for any and all claims and disputes arising out of or in connection with the contractual relationship, including summary-bill enforcement and summary proceedings. The same shall be true in the event that the customer has no place of general jurisdiction within the Federal Republic of Germany or moves his domicile or habitual residence out of this territory after the conclusion of the contract or in the event that the customer's domicile or habitual residence is unknown at the time when the legal action is brought.

15. Final Provisions

- 15.1 The contractual relationship shall be governed by German Law. The UN-Convention on the International Sale of Goods (CISG) shall not be applicable.
- 15.2 In the event that a provision of these conditions or of any further agreement between the parties is or becomes invalid, this shall not affect the validity of the remaining provisions of the contract. The parties shall undertake to replace the invalid provision with another valid provision which comes closest to the intended purpose.