

GENERAL TERMS AND CONDITIONS OF PURCHASE for products from the outside of the European Economic Area

1. Scope of application

- 1.1** The following conditions of purchase shall apply to all contracts between Intertec GmbH (the "Company") and the supplier of any goods (the "Supplier") and shall override any terms referred to (or which may be referred to) by the Supplier in any acceptance of order or elsewhere, unless explicitly accepted in writing signed by an authorized representative of the Company. Reference to "goods" shall be deemed to include all or any goods, models, materials or other items to be sold or supplied to the Company.
- 1.2** The following conditions are only applicable if products are imported into the European Economic Area. Otherwise the "Allgemeine Einkaufsbedingungen für Produkte aus dem Europäischen Wirtschaftsraum" apply.
- 1.3** Agreements and orders shall not be valid unless issued in writing and signed by the Company.
- 1.4** All terms used in this Agreement which are defined in INCOTERMS, Paris International Chamber of Commerce Publication No. 460 (1990 edition) are used here in as so defined.
- 1.5** No quotation will result in a binding purchase contract unless and until accepted by the Company in writing.

2. Prices

- 2.1** Prices shall include the costs of packaging, transport costs and all ancillary costs arising until delivery to the destination stated by us.
- 2.2** Except where otherwise expressly agreed in writing between the Company and the Supplier the price quoted by the Supplier shall be fixed and binding and shall not be subject to any variation unless due to an agreed variation to the order of the specification of the goods made pursuant to these Conditions.
- 2.3** Where the Company has expressly agreed with the Supplier in accordance with sub-clause 2.2 of this clause the Company shall under no circumstances whatsoever be liable for any increase in the price arising after the due date for delivery of the goods to the Company.

3. Delivery

- 3.1** The supplier shall bear the transport risk provided that we do not undertake the transport ourselves
- 3.2** Goods shall be delivered in accordance with the packing and shipping instructions given by the Company to the Supplier. Only complete orders may be delivered, any goods surplus to orders being delivered only on demand.
- 3.3** All deliveries shall be accompanied by the relative delivery note. This note must stipulate how many packages make up the delivery. Unless expressly mentioned in the individual order all packages shall be clearly marked with a description of the contents and the recipients address. All documents relating to the order, and in particular delivery notes and invoices shall bear the Company's order number and code and the Supplier's article number and, if required, the Company's article number.
- 3.4** We shall not reimburse any insurance premium unless insurance cover has explicitly been requested in our orders.
- 3.5** THE DELIVERY PERIODS AND DATES STIPULATED IN OUR ORDER SHALL BE BINDING. STRICT ADHERENCE TO THE SAME SHALL BE A PRINCIPAL OBLIGATION OF THE SUPPLIER UNDER THE CONTRACT. For drop shipments (chain-of-delivery business), delivery must be effected within the calendar week of the respective delivery date.
- 3.6** The Supplier shall notify the Company of the commencement of production no later than two weeks before commencement.
- 3.7** The Supplier shall be obliged to notify the Company immediately in writing of any circumstances occurring or becoming apparent to him which indicate that the agreed delivery period cannot be complied with. In such event the Supplier undertakes at his own expense to use express modes of transportation in order to meet the delivery deadline.
- 3.8** Should the Supplier default, the Company shall, after having set an additional term, be entitled to claim damages or to rescind from the contract.
- 3.9** SHIPMENTS MUST EQUAL EXACT AMOUNTS ORDERED UNLESS OTHERWISE AGREED. Partial deliveries shall be subject to written approval.
- 3.10** The Company reserves the right to examine goods after delivery to and before acceptance by the Company and to reject any goods which the Company may consider defective or inferior. The Company shall notify the Supplier of such rejection and the goods so rejected shall remain at the Supplier's risk and shall be removed forthwith by the Supplier at the Supplier's expense. The Supplier shall reimburse the Company its costs and expenses involved in handling and inspecting such rejected goods and shall at the Company's option and without prejudice to any of the Company's rights and remedies without delay replace such rejected goods with goods which comply in all respects with the terms of the contract at the Company's option, return to the Company all monies paid by the Company in respect of such goods together with the value of all materials supplied by the Company for use therein.

- 3.11** The Company's rights of rejection contained in these Conditions shall apply to the whole or a part only of the goods comprised in the order.
- 3.12** Goods shall comply in appearance and content with the details agreed on and with the legal requirements in their place of ultimate destination. Should any limitations or quotas affecting the goods ordered be introduced in the place of ultimate destination of those goods subsequent to the placing of the order, the Company shall be entitled to reduce the order accordingly without incurring any increase in the unit price.
- 3.13** All goods supplied by the Supplier shall conform as to quantity, quality and description with the particulars and be fit for the purpose stated in the order and any specifications, drawings, samples, designs or other information which may have been supplied by the Company and shall be free from defects of workmanship or material.
- 3.14** Without prejudice to any rights of the Company, property in the goods shall pass to the Company on delivery thereof in accordance with the terms of the contract.
- 3.15** Neither the Company nor the Supplier shall be liable for any delay or failure in carrying out any of its obligations under any order if such failure or delay is due to labor disputes, strike, fire, explosion, lockout, flood, earthquake, failure of shipping facilities or transportation agencies, embargoes, insurrection or civil disorder, acts orders or requirements of any government or political authority, acts of God or other causes or conditions beyond its reasonable control, provided however, that the parties shall give each other advance written notice of any such anticipated failure or delay as promptly as reasonably practicable after it has notice of conditions or circumstances which may cause such delay or failure.
- 3.16** The payment will be considered timely if carried out within the weekly payment cycle following the agreed term.

4. Warranty, Inspection

- 4.1** The Supplier hereby warrants that the goods shall be in all respects in accordance with the contract and free from any defect whatsoever. Without prejudice to such other rights the Company may have in the vent of any defect due to faulty workmanship or material appearing in the goods within 24 months from the date of delivery to the Company the Supplier shall forthwith on receipt of notice of such defect from the Company and at its own cost and expense replace and refit such of the goods as are defective.
- 4.2** All goods shall comply with state-of-the-art technology and any samples provided by the Supplier. All the latest standards, directives and regulations of relevant authorities and trade associations as well as specifications, instructions or technical data given by us shall be complied with.

- 4.3** The Company shall at any time have the right to inspect the products and select random samples thereof at the Supplier's place of business or at the place of loading at the vessel. Unless otherwise agreed, the Company or an inspection agent will execute a certificate of inspection on the Company's expense. The issuance of such certificate does not release the Supplier from any liability for deficient products.
- 4.4** Any failure to reject defect goods during our inspections shall not constitute or imply acceptance thereof.
- 4.5** Upon delivery, the Company is obliged to check the goods in view of possible deviations in quality or quantity within a reasonable time, a complaint shall be deemed to have been made in due time if sent to the Supplier within a period of seven working days.
- 4.6** The Company shall, at its own discretion, be entitled to request the Supplier to remedy defects or replace the goods at the expenses of the Supplier. The Company expressly reserves the right to claim damages, in particular damages for non-performance.
- 4.7** In case the inspection arranged by the Company failed to confirm a product quality complying to the standards which are set in the contract, the Supplier will bear all expenses for additional inspections and their technical tests for the lot which had to be reworked
- 4.8** The Company is entitled to remedy defects at its own discretion at the Suppliers expense, or to effect a replacement purchase in the event of imminent risk or urgency.
- 4.9** The goods shall be so designed and constructed as to be safe and without risks to health when properly used. The Supplier shall carry out or arrange for such testing and examination of the goods as is necessary and deliver with the goods operating instructions which set out the use for which the goods are designed and have been tested and any conditions necessary to ensure that, when put to that use, the goods will be safe and without risks to health. The Supplier shall comply in all respects with the requirements of any legislation relating to safety and any regulations or codes of practice made thereunder. Acceptance of the goods by the Company shall not be deemed to be an acknowledgement by the Company that the Supplier has complied with the provisions of this clause.
- 4.10** All goods (including packaging) must be free of any hazardous substances. For different destinations, there are individual regulations determining the quality standard which is acceptable. The different categories are stated in the attached quality requirement sheet.
- 4.11** A non compliance of the quality to the referred quality category is considered to be a serious breach of the contract. Any cost caused that breach is to be borne by the Supplier.

- 4.12** The Supplier shall indemnify the Company against any loss, damage or injury suffered by the Company howsoever caused which result whether directly or indirectly from the failure of the Supplier to comply with the terms of the contract or from the Supplier's performance of the contract.
- 4.13** The Supplier is responsible for the correctness of the contents and form and the authenticity of the certificates of origin. Furthermore it is the duty of the Supplier to ensure that the relevant import and customs regulations of the country of destination are observed.
- 4.14** The Supplier will make notification at the latest at the time of delivery whether the goods ordered are subject to export, re-export or any other restrictions under the foreign trade provisions of the Federal Republic of Germany.
- 4.15** The Company reserves the right to assign the benefit of the warranty herein contained and all its rights thereunder to any customer of the Company to whom the goods are sold or transferred by the Company.
- 4.16** The Supplier warrants that the sale by the Supplier to the Company and the use by the Company of the goods supplied under the contract do not constitute an infringement of any Letters Patent, Registered Design or Trade Mark and the Supplier shall indemnify the Company from and against all costs, claims, demands or proceedings in respect of any such infringement as aforesaid or any alleged infringement.
- 4.17** The Supplier declares that the goods delivered are not manufactured by means of exploitative, unhealthy or slave-like child labour, nor by forced or exploited labour, nor by any other kind of prison work which violates human dignity.

5. Confidentiality, Title to Intellectual Property

- 5.1** All designs, drawings and specifications furnished by the Company to the Supplier remain the sole and exclusive property of the Company and are to be treated as confidential by the Supplier and disclosed only to such employees of the Supplier as are properly engaged in the execution of the order and for the purposes of the contract. All such designs, drawings and specifications shall be returned to the Company on completion of the contract.
- 5.2** The Company's trademarks are such trademark(s) as the Company may from time to time have notified the Supplier in writing.
- 5.3** The Supplier has no permission to and will not adopt, use or register as a trademark, tradename, business name or corporate name or part thereof or any other intellectual property, whether during the term of this Agreement or after its termination, any word or symbol similar to any of the Company's trademarks or intellectual properties.
- 5.4** Any sundry items including or bearing the Company's trademarks and not used by the Suppliers on finished goods produced for the Company shall be returned to the Company.

- 5.5** The Supplier undertakes to avoid loss, duplication or improper use of any sundry items or materials which incorporate the Company's trademarks. In particular, the Supplier agrees to refrain from using any of the Company's trademarks, or variations of any of them, in making goods for its own account or for the account of any other party.
- 5.6** The Supplier shall not subcontract the execution of the contract or any part thereof nor assign or transfer the contract or any part thereof to any other person without the prior written consent.
- 5.7** Where such consent as aforesaid is given by the Company, the Supplier shall obtain the agreement of its subcontractor assignee or transferee to conditions similar to those contained herein and any other conditions which shall apply to the contract between the Company and the Supplier.

6. Determination of contract

If

- (I) the Supplier shall fail to deliver the goods on the due date or shall commit a serious breach or shall after due warning continue any breach of its obligations under the contract, or
- (II) any distress, execution or other legal process is levied upon any of the Supplier's assets, or
- (III) the Supplier shall make any arrangement or composition with his or its creditors commit an act of bankruptcy or (being a corporation) shall enter into liquidation or have a winding-up petition presented against it or call a meeting of its creditors or suffer the appointment of a receiver in respect of any part of its undertaking or assets

the company may without prejudice to any other rights the Company may have and without incurring any liability whatsoever to the Supplier determine the contract at any time thereafter summarily by notice in writing.

7. Conventional penalty

In the event of a conventional penalty being agreed, the Company shall submit its reservation in accordance with Sec.341 para. 3 BGB (German Civil Code) (conventional penalty reservation) no later than three weeks following unconditional acceptance of delivery.

8. General

Failure by the Company at any time to enforce any of the provisions of these Conditions shall not be construed as a waiver by the Company of such provisions or in any way affect the validity of these Conditions.

9. Notification

Any notice given hereunder by post, telex, or facsimile transmission to the recipient at his or its principal or registered office shall be deemed to have been properly served at the time when in ordinary course of post or transmission it would reach its destination.

10. Set-off

The Company is entitled to setoff any amounts between the Supplier and the Company and its affiliated companies (in particular Schenker AG, Essen, Inter-Union Technohandel GmbH, EVB Handelshaus Bour GmbH, Landau, Tegro AG, Schwerzenbach/Switzerland, V.E Kern GmbH, Vienna/Austria, and Intertec Polska s.p.z.o.o. Warsaw/Poland).

11. Place of jurisdiction

11.1 The contract shall be construed and shall take effect in all respects in accordance with German Law.

11.2 All disputes, controversies, claims or differences which may arise between the Company and the Supplier, out of, or in relation to, or in connection with any contract, or for breach thereof, shall be settled by arbitration (single arbitrator) according by DIS (Deutsches Institut für Schiedsgerichtsbarkeit e.V.) rules in Landau, Germany in accordance with German law excluding the UN law on the international sale of goods. The award shall be final and binding on the parties.

11.3 The Company may assign all or any part of its rights, interest and claims arising out of the performance of this contract.