

General Terms and Conditions of Purchase
of EuroLam GmbH (EuroLam)
(As at February 2011)

1. General

- 1.1 The legal relationship between the Supplier and EuroLam is based on these Terms and Conditions and any other agreements. Any amendments or supplements must be made in writing.
- 1.2 Other general terms and conditions of business shall only apply if they have been expressly recognized by EuroLam in writing. They shall also not form part of the contract unless they have been expressly rejected in an individual case or if EuroLam accepts deliveries of the Supplier without reservation in knowledge of deviating or contrary terms and conditions of business.
- 1.3 As part of the current business relationship, the following terms and conditions apply for future contracts even if these are not expressly agreed in future.

2. Orders

- 2.1 All agreements and delivery requisitions and any relevant amendments or supplements must be made in writing in order to be valid. Delivery requisitions may also be made by means of a long-distance data transmission.
- 2.2 The order number of EuroLam is to be stated in all documents of the Supplier. If the Supplier issues an offer at the request of EuroLam, it has to comply precisely with the request and to draw specific attention to it in the event of any deviations.
- 2.3 If the Supplier fails to accept the order within two weeks of receipt, EuroLam shall be entitled to revoke the contract. In the event of ongoing supply relationships, delivery requisitions, quantity corrections of orders already sent and/or deadline changes shall at the latest be binding unless the Supplier has revoked within two weeks of receipt thereof.
- 2.4 EuroLam may – as part of reasonableness for the Supplier – insist on changes to the delivered item. In doing so, the implications – especially with regard to additional or lower costs and delivery dates have to be jointly determined and unanimously agreed. Deviations in quantity and quality in comparison with the text and contents of the order, subsequent contract changes or supplements and ancillary agreements shall only be deemed to have been agreed if they are confirmed in writing by EuroLam.
- 2.5 Subcontracts may only be issued by the Supplier with the consent of EuroLam if they only relate to the delivery of marketable goods. Approval may not be refused unreasonably.
- 2.6 The Supplier shall immediately inform EuroLam if an order is wholly or partially subject to export restrictions under German or any other law.

3. Delivery

- 3.1 Unless otherwise agreed, delivery – including transport, packaging and offloading – shall be made to the address specified by EuroLam. If EuroLam bears the transport costs by way of exception, the Supplier has to select the type of packaging, the transport route and the transport company in accordance with the specifications of EuroLam otherwise the transport and delivery type most favourable for EuroLam and offloading shall be made; this shall also apply if EuroLam does not bear the transport costs.
- 3.2 The agreed delivery dates and deadlines are binding. What is relevant for compliance with the delivery date or the delivery period is receipt of the goods by EuroLam or the address specified by EuroLam. If no delivery dates or deadlines are agreed, a delivery period of 14 calendar days shall apply as from receipt of the order by the Supplier. The Supplier shall commence with the delivery of goods so that they duly arrive after taking due account for loading and despatch.
- 3.3 In the event of an earlier delivery than agreed, EuroLam shall reserve the right to carry out the return shipment at the cost of the Supplier. If no return shipment is made, the goods shall be stored up to the agreed delivery date at EuroLam at the cost and risk of the Supplier. The premature delivery has not effect on the agreed payment time limit.
- 3.4 The transfer of goods is made exclusively on weekdays – Monday to Friday - otherwise from 7 a.m. to 3 p.m.
- 3.5 Part-deliveries are only permissible with the express agreement of EuroLam.
- 3.6 For measurements, weights and component part of a delivery, the control procedures apply in the incoming goods control carried out by EuroLam.
- 3.7 In the event of ongoing deliveries of product materials, the Supplier is obliged at the request of EuroLam to hold a reasonable inventory level in addition to the delivery quantity with no additional compensation being payable.
- 3.8 Delivery notes and packaging slips are to accompany every delivery. These must at least include the following details: the order number, the quantity and the quantity unit, the gross and net weight and the article designation together with the article number.
- 3.9 Unless otherwise agreed, all packaging materials have to be taken back by the Supplier in accordance with the ordinance on the avoidance and utilization of packaging material waste. For the delivery, the specially prepared delivery specifications of EuroLam apply (as at January 2011) which are known to the Supplier or may be requested by the Supplier at any time.

4. Delivery Delay

- 4.1 If delivery delays are to be anticipated, the Supplier shall notify this to EuroLam without delay and simultaneously notify the anticipated duration of the delay in writing and its decision on the further approach to be adopted.
- 4.2 If the Supplier oversteps the agreed delivery date, it shall pay a contract penalty to EuroLam equivalent to 0.3 % of the net order amount for each commenced calendar day of overstepping the agreed delivery date, but with a maximum of 5 % of the net order total unless the Supplier was not responsible for the delay. The right of EuroLam to enforce additional damages compensation shall remain unaffected. In the aforesaid case, the contract penalty shall be set off against the damage compensation claim.
- 4.3 The claim to the contract penalty shall also be maintained even if it is not expressly enforced upon acceptance of the delivery. It may be enforced up to the last payment.

5. Transfer of Risk and Ownership

- 5.1 The risk shall pass to EuroLam upon delivery without any erection or assembly obligation of the Supplier upon receipt at the delivery address specified by EuroLam and delivery with an erection and assembly obligation with a successful completion of the off-take declaration.
- 5.2 The ownership of the delivered goods passes to EuroLam upon payment. Each extended or increased ownership and competitor or competitor reservation is excluded.

6. Compliance with the Legal Regulations

- 6.1 Deliveries must comply with the relevant legal provisions, especially the security and environmental protection provisions.
- 6.2 The Supplier is obliged to determine the current status of the directives and laws relating to its material restrictions and to comply with the aforesaid. Avoidance and dangerous materials as specified in current laws and directives have to be stated by the Supplier on its specifications. The security data sheets have already been submitted together with the offer. The security data sheets have already been submitted together with the offers. Exceeding material shrinkages and the delivery of prohibited materials are to be reported to EuroLam in writing without delay.
- 6.3 Origin documentation required by EuroLam is to be immediately made available to EuroLam together with the offer and with all the necessary details and with proper and orderly signatures. The same applies for turnover tax documentation in the case of foreign deliveries and those within the Community.

7. Prices and Payment

- 7.1 Unless otherwise agreed, the prices shown in the order are fixed prices, including the respective statutory added tax, packaging, transport and transport insurance. Price increases for later orders have to be duly notified by the Supplier and at all events with a preliminary period of 2 months; the prices shown in the last order shall apply unless otherwise agreed. In the event of a special charge for packaging costs, re-usable packaging such as crates, and containers, etc., shall be taken back by the Supplier; they are to be returned to the Supplier by EUROLAM franco and are to be credited with the full invoice price. Other packaging and filling materials such as wooden wool and paper, etc., may also not be charged in this case.
- 7.2 Invoices are to be submitted in duplicate after a full and defect-free delivery or in the event of successful services after their acceptance for each order together with details of the order data. Invoices with no details of the order date have to be submitted separately. Invoices with no details of the order date and with no submission of the agreed or normed appendices may be returned to the Supplier unprocessed and justify no due date.
- 7.3 Unless otherwise agreed in writing, the payment of orderly and proper submitted invoices is carried out at the option of EuroLam by means of a transfer or cheque within 14 days with 3 % cash discount, within 30 days with 2 % cash discount or 60 days net. The time limit starts with the invoice receipt but not before the defective contract performance and/or acceptance. Legal public holidays and company "bridging days" known to the Supplier extend the cash discount and payment periods accordingly. If earlier deliveries are accepted, the due date shall be based on the agreed delivery date. Payment shall be deemed to have been remitted on time if EuroLam has presented the necessary payment documents on the last bank working day or has remitted a cheque by mail.
- 7.4 If payment is agreed in a currency other than the Euro and if there was a parity change in the agreed currency vis-à-vis the Euro as a result of which EuroLam incurs additional costs of more than 3 % in comparison with the exchange in comparison with the order, EuroLam shall be entitled to withdraw from the contract. All and any damage compensation claims by the Supplier shall be excluded in the aforesaid case.
- 7.5 Payments denote no recognition of delivery in accordance with the contract. In the event of a defective or incomplete delivery, EuroLam shall be entitled to withhold payments on a pro rata value basis pending an orderly performance of the contract.
- 7.6 Without the prior written consent of EuroLam, the Supplier shall be entitled to withhold payment on a pro rata value basis pending an orderly and proper execution of the contract.
- 7.7 In the event of advance payments, the Supplier shall have reasonable security in the form of a bank guarantee issued by a recognized major European Bank or an equivalent security.
- 8. Defects**
- 8.1 A control of incoming goods by EuroLam only takes place with regard to externally recognizable transport of packaging damages and identity and externally identifiable identity and quantity deviations. Such defects are immediately notified to the Supplier but at the latest within 15 working days after delivery. Other defects are immediately notified as soon as they are established as part of an ordinary and proper course of business. The Supplier therefore waives the objection of a delayed defect notification.
- 8.2 If defects are established, EuroLam is entitled to reject the whole delivery or to have a 100 % examination at the cost of the Supplier.
- 9. Defects and Release from Duties**
- 9.1 The Supplier guarantees that the vehicles delivered are free of defects, have the agreed qualities (as per the relevant specifications, drawings, samples, etc.), are in line with the latest technological developments and generally acceptable technical conditions and are appropriate for the purpose or use envisaged by EuroLam. The agreed qualities of a chattel or a work also include qualities which EuroLam is entitled to expect by virtue of public statements of the seller, its company, the manufacturer (§ 4, paras. 1 and 2 of the German Product Liability Act) or its assistants especially in advertising or for recognizing certain qualities unless these contradict the agreed qualities; this does not apply if the Supplier did not recognize the comment and should not have recognized it either and should have been able to recognize it.
- 9.2 Defective deliveries are to be replaced immediately by defect-free goods. In the event of a development of construction errors, EuroLam is entitled to enforce the rights envisaged in Section 9.4.
- 9.3 A correction of defective deliveries requires the consent of EuroLam. The Supplier shall bear the risk involved as long as the subject matter of delivery is not in the possession of EuroLam at that point of time.
- 9.4 If the Supplier does not rectify the defect within a reasonable specified period of time, or if the rectification is abortive or if the time limit is dispensable, EuroLam shall be entitled to withdraw from the contract or to reduce the compensation. In addition to the aforesaid option possibilities, EuroLam reserves the right to demand compensation.
- 9.5 In urgent cases, especially in the event of a danger to operational security or to avert exceptionally high damages or in cases of an unforeseeable impossible or uneconomic post-rectification, EuroLam is entitled after informing the supplier and, after the end of a reasonable period of time, to rectify the defect itself at the cost of the Supplier or to have it rectified by a third party.
- 9.6 The ruling under Section 9.5 shall apply correspondingly if the supplier is late with its delivery and if EuroLam has to rectify the defect itself at the cost of the Supplier or to have it rectified by a third party.
- 9.7 Unless otherwise agreed in an individual contract, the period for the time limit of defect claims is 61 months. The course of the time limit of defect claims is 61 months. The course of the limitation period is 61 months. The course of

	the limitation period for the time period starting with the commencement of the defect is blocked for the period commencing with the receipt of the defect notification and ending with the acceptance of the defect-free delivery by EuroLam. However, if the defect occurs in the first 12 months of the guarantee period (cf. clause 1), it will be assumed that the aforesaid defect already existed at the time of the transfer of risk unless this assumption is incompatible with the type of the matter in question or the defect.	15.2	The Supplier hereby approves that, as part of the contract and business relationship, data within the meaning of the data protection act coming to its knowledge which is stored, processed and transmitted to group companies insofar as the aforesaid is necessary for executing the contract associated with EuroLam whereby the interests of the supplier have to be taken into account.
9.8	For rectified or replaced delivered goods, the expiry period commences once again with the delivery or acceptance of the defective delivery.	16.	Liability
9.9	The statutory claims available to EuroLam remain unaffected in other respects.	16.1	A damage compensation obligation of the Supplier shall only be valid if he/it was blamed for a damage for which he/it was not responsible. If claims are made against EuroLam on account of liability to third parties independently of the question of blame under non-modifiable law or product liability under the German Product Liability Act, the Supplier shall become liable to EuroLam insofar as it was also directly liable. The Supplier shall be liable for measures of EuroLam in the event of damage claims or recourse action.
9.10	The Supplier shall exempt EuroLam from all claims which third parties enforce against EuroLam on account of a defect if the goods delivered by the Supplier or on account of a breach of the statutory provisions against EuroLam on account of a breach carried out by the supplier. In this case, the supplier is obliged to reimburse the necessary costs of its legal defence incurred by EuroLam.	16.2	Regardless of their legal cause shall, with the exception of a case in which EuroLam carries out wilful deceit or assumes a guarantee which was based on simple negligence, compensation claims of the supplier against EuroLam shall only be valid if a cardinal obligation has been breached, i.e. an obligation, the performance of which only makes an orderly and proper execution of the contract at all possible and on compliance with which the Supplier is able to regularly trust, or an infringement of which limits such rights of the Supplier which the contract with EuroLam is to be granted on the basis of its contents and purposes. If such cardinal obligations are wilfully or negligently breached by cardinal errors of simple vicarious agents without breaching cardinal obligations, EuroLam shall only be liable in the event of a wilful damage cause.
10.	Quality Management The Supplier has, at the request of EuroLam, to attend and document quality control system, or one in accordance with the standard range under DIN EN ISO 9000 II. EuroLam has the right to examine the effectiveness of the quality management system locally at the supplier. If the type and scope of the examinations are not agreed, the Parties shall jointly determine the necessary status of the testing system. EuroLam shall support and assist the Supplier in the aforesaid respect with its knowledge and experience.	16.3	In the cases referred to under Section 16.2, the compensation liability of EuroLam is limited to the amount of the foreseeable damage in a typical contract. The liability for indirect damages, defect consequential damages and third party claims remain unaffected.
11.	Third Party Protective Rights	16.4	Claims of the Supplier for a breach of life, body or health and claims based on the public liability act remain unaffected.
11.1	The Supplier shall ensure that EuroLam does not breach third party rights as a result of the contractual use or the sale of its deliveries.	17.	Compliance with the Legal Provisions The Supplier is obliged to conclude an adequate insurance for the obligations incumbent on EuroLam (also in connection with product liability and the recall risk arising therefrom), to maintain the aforesaid insurance and to document the existence of the insurance cover to EuroLam upon request.
11.2	The Supplier shall indemnify the EuroLam and its customers against all third party claims which are enforced against EuroLam and its customers which are judicially or non-judicially enforced against EuroLam on account of a breach of a proprietary right and will, upon request by EuroLam, provide security in the amount of the enforced payment claims on a bank account to be designated by EuroLam.	18.	Miscellaneous
11.3	The aforesaid shall not apply if the supplier produced the drawings, models or other similar specifications in accordance with the drawings of EuroLam or in connection with the goods developed by it no knowing that proprietary rights were being infringed as a result.	18.1	If the Supplier discontinues its payment obligations payments or if the opening of insolvency proceedings is petitioned on its estate , EuroLam shall be entitled to withdraw from the unfulfilled part of the contract.
11.4	The contracting parties undertake to immediately inform each other of infringement risks and infringement cases coming to their attention and shall give each other the opportunity to counteract corresponding claims by mutual consent.	18.2	Unless specifically agreed otherwise, the place of performance for the delivery obligation is the delivery address requested by EuroLam and for all other obligations of both parties at the business office of EuroLam.
12.	Provision of Production Equipment	18.3	The Supplier may only explain the offsetting with undisputed or legally binding counterclaims; a retention right in connection with former or other business relating to the ongoing business connection may not be enforced. Without the prior written consent of EuroLam, the Supplier may not assign the rights and obligations under the existing contract with EuroLam to a third party.
12.1	Drawings, models, templates, specimens, specifications, technical exposés, tools and other production equipment and materials ("Production Materials") which are made available to the Supplier by EuroLam shall remain the property EuroLam and may only be made available to third parties with prior written consent. Their duplication is only permissible as part of operational requirements and taking due account of the copyright provisions. They are to be maintained with the care of an orderly businessman and are to be designated as the property of EuroLam. Subject to any other written agreement, they are to be immediately returned to EuroLam upon completion of the order without being requested to do so. Products produced on the basis of such equipment may only be delivered to third parties with the prior written consent of EuroLam.	18.4	The legal venue is the head office of EuroLam if the Supplier is a businessman within the meaning of § 38, para. 1 ZPO (<i>the German Code of Civil Procedure</i>). EuroLam is, however, entitled to bring legal action at the general legal venue of the Supplier.
12.2	EuroLam shall acquire the sole or joint ownership of all production materials which it has paid in whole or in part on the basis of its financial share of the total production costs. If production equipment remains with the supplier, the handover shall be replaced by a safe keeping relationship which entitles the Supplier to use the aforesaid until further notice.	18.5	The laws of the Federal Republic apply to the exclusion of the applicability of Contracts for the International Sale of Goods (CISG).
12.3	The Supplier shall bear the costs of maintenance and renewals and the risk of loss and deterioration of the production equipment belonging to EuroLam. Without prior consent, the tools in its joint or sole ownership may not be destroyed or sold, nor transmitted to third parties, nor may they be disposed of in any other way.	18.6	If individual provisions of the present Contract Terms and Conditions are or become invalid, the validity of the other provisions shall not be affected thereby. If a sub-clause is invalid or becomes invalid, the validity of the remaining part of the clause shall remain unaffected if it can be factually separated from the sub-clause.
13.	Supplier's declarations The Supplier is obliged to submit a delivery declaration in accordance with VO-EU No. 1207/2001 in the current version, or, in the event of cross-border deliveries, to submit a supplier's declaration on the corresponding special form in force. In the event of a submission of a long-term supplier declaration, the Supplier has to inform EuroLam of all and any changes in the original documents without being request to do so. In the event of a submission of a long-term supplier declaration, the supplier has to notify EuroLam of all and any changes to the original qualities and features without being requested to do so. If the supplier declarations submitted by the Supplier prove to be inadequate or defective and if EuroLam is subsequently charged by the customs authorities or suffers any other financial losses as a result, the Supplier shall be liable for the aforesaid.		
14.	Force Majeure		
14.1	Cases of force majeure such was war, natural catastrophes or any other unforeseeable, inevitable, serious occurrence or an occurrence which is not due to its vicarious agents which make the performance of their contractual obligations substantially more difficult or impossible, the contracting parties relieve each other from their contractual obligations for the duration of the occurrence and the effects of their contractual obligations.		
14.2	The contracting parties are, however, obliged to immediately transmit the necessary information insofar as this is possible and to adapt their duties and obligations in good faith.		
14.3	If the force majeure lasts longer than 3 months, the contracting parties are entitled to terminate the contract with immediate effect.		
15.	Confidentiality and Data Protection		
15.1	The Supplier is obliged to treat all not publicly known commercial and technical information which becomes known to it as a result of the business relationship as business secrets and not to transmit the aforesaid to third parties unless the supplier is able to prove that the aforesaid information had already become known to it or subsequently became available by an entitled third party, or that the information became known or will become known without this being the responsibility of the Supplier and without the Supplier having to justify this. The secrecy obligation remains beyond the contract termination for a period of 5 years.		