

General Terms and Conditions of Purchase

as of 01.08.2011

1. Exclusive Validity of these Conditions; Acknowledgement of Standard Terms of Retention of Title.

- 1.1. All and any orders placed by us (the "Recipient") with the Supplier shall exclusively be governed by these General Terms and Conditions of Purchasing.
- 1.2. Any conflicting terms and conditions of the Supplier are herewith explicitly rejected.
- 1.3. Notwithstanding the above, ordinary clauses of retention of title are herewith explicitly accepted, save current account retention clauses.

2. Parol Evidence

Both, orders as well as their modification(s), shall be/become effective only when placed or subsequently confirmed by the Recipient in writing.

3. Documents

The Recipient reserves title to all and any drawings, samples and specifications made available to the Supplier in the course of the business relationship. Such documentation may neither be made accessible by the Supplier to any third party nor may it be used or copied for any purpose other than the execution of the pertinent orders.

4. Payment

Payment shall be effected within:

- 14 days at a 3 percent cash discount
- 30 days at a 2 percent cash discount
- 60 days without any deduction.

5. Assignment of Claims

The Supplier shall not without the prior written consent of the Recipient assign any claim against the Recipient to a third party.

6. Effect of Deviations of Order From Delivery with Respect to Quantity and/or Quality

Edelhoff shall be free to reject any delivery that is not in full conformity with the respective order in both quantity and quality.

7. Reduced Incoming Inspection; Notice of Defects

- 7.1. The obligation of the Recipient to conduct incoming inspections as set out in § 377 German Commercial Code (HGB) shall be limited to checking the identity of the material received, quantity deviations and other obvious defects, in particular those due to transportation. However, the Recipient shall at any time be entitled to carry out tests as extensively and rigorously as it wishes.

8. Warranty and Liability

- 8.1. If a testing sample drawn by the Recipient contains substances which are either unlawful or inappropriate for the use to which the Supplier knows the Recipient will put the material in question, or if such material either contains more of certain substances than the maximum amount permitted or less than the minimum amount prescribed, or if such sample fails in any other way to conform to the agreed-upon or otherwise pertinent specifications, then such sample shall be considered defective. It shall be upon the Supplier to inform himself of the intended use of the material delivered.
- 8.2. If at least two independently drawn samples are defective within the meaning stipulated above, or if any one such sample contains either traces of cadmium or of asbestos or any material/Ingredients suspect either to be radioactive or explosive, the Recipient shall be entitled to treat the entire delivery from which such sample(s) were taken, as defective.
- 8.3. If the Recipient so chooses, he shall then have the following options with regard to the delivery in question: he can either put the entire delivery at the ready for the Supplier for pick-up or he may keep it and reduce the purchase price appropriately. If he returns the delivery, he shall, again at his option, be entitled to either demand a fully new delivery or to have the purchase price returned in full. In addition, all and any costs arising in connection with either the identification or the repair of any defects (costs for selection tests, transportation costs and the like) shall be fully borne by the Supplier.

9. Effect of Duty to Minimize Damage with Regard to the Recipient's Conduct vis-à-vis Third Parties

If claims are made against the Recipient by one or several of its customers which are based on real or alleged defects of the products delivered to such customer(s) by the Recipient which result or are alleged to result from a defect in a component received by the Recipient from the Supplier, the Recipient shall not be required, as part of its general duty to minimize the damage suffered by the Supplier, to defend itself against such claims by relying either on the expiration of such claims or on the failure of such customer properly to make the notification of defects of the incoming goods as set out in § 377 HGB (see above under 7.1.).

10. Final Provisions

- 10.1. The place of performance for all obligations governed by these Conditions shall be the place of delivery specified by the Recipient.
- 10.2. The business relationship between the parties shall exclusively be governed by German Law as applied to purely domestic cases.
- 10.3. Any disputes arising out of or in connection with any contract governed by these Conditions shall exclusively be decided by the competent court in Nuremberg, Germany. However, if the Recipient is the plaintiff, it shall have the option to initiate arbitration proceedings instead. Such proceedings shall be held in compliance with the Arbitration Rules of the Deutsche Institution für Schiedsgerichtsbarkeit e.V. (DIS) [German Institution for Arbitration] in Nuremberg, Germany, and in the English language.