

# Terms and Conditions of Purchase of the GEUDER Corporation

## 1. Validity

These terms and conditions of purchase are valid for the entire business relations between GEUDER AG (hereinafter referred to as "GEUDER") and its suppliers and other contractors (hereinafter collectively referred to as "Supplier"), even if they are not referred to in later contracts, unless GEUDER has expressly given its consent, they are also exclusively valid when the Supplier receiving or accepting an order, refers to his own terms and condition of delivery.

## 2. Orders

2.1. An order can only be considered as being binding for GEUDER if and as soon such order is issued in writing duly signed by GEUDER. Orders issued orally, by telephone or by electronic telecommunication including by E Mail are only binding for GEUDER once GEUDER has confirmed such order in writing as aforesaid. Drawings including tolerance specifications which GEUDER has issued in individual cases are binding. By accepting an order, Supplier confirms that he has made himself familiar with mode and extent of execution of the order by examination of drawings and other documents related to the order. GEUDER is not responsible for any apparent errors, ambiguities, spelling or calculating mistakes in the documents and drawings provided by GEUDER. The Supplier shall inform GEUDER without delay of corresponding mistakes to enable GEUDER to correct them possibly amending the contract. This also applies to missing documents and drawings.

2.2. Supplier shall accept an order by countersigning the written order within two weeks. If he does not do so within this time period, then GEUDER may cancel such order.

2.3. Deviations in quantity or quality from the text and content of the order issued by GEUDER as well as amendments of the order are only valid if GEUDER has expressly accepted them in writing.

2.4. Drawings, tools, samples, models, trademarks, design, finished products and other means as well as semi-finished products which have been made available by GEUDER to Supplier or developed or produced in execution of an order remain or become GEUDER's property and may not, without GEUDER's express written permission, be made available to third parties. Unless expressly agreed upon otherwise they are to be returned to GEUDER immediately following the execution of an order without request by GEUDER. Products which have been made using such drawings, design, or Trademarks may only be made available or delivered to third parties with GEUDER's express written permission.

## 3. Delivery Dates

3.1. The terms and dates of delivery agreed upon are binding. They begin with date of the order. The goods must reach the place of destination at the deadline stipulated in the order. In case delays are to be expected, the Supplier shall inform GEUDER thereof without delay and request GEUDER's decision whether or not the order will be maintained which has to be accepted by Supplier.

3.2. Should the Supplier fail to deliver the goods in time or the goods delivered do not meet the contractual conditions then GEUDER may grant an appropriate time extension to deliver the goods in the manner specified in the contract. Should this time extension not result in the desired effect, then GEUDER may cancel the contract. In addition and irrespective of the aforesaid GEUDER is entitled to a penalty of 0.2% of the net order value for each working day following the delay limited to 5% of the net order value. GEUDER's right to claim further damages remains unaffected.

3.3. GEUDER is not obliged to accept any deliveries prior to the contractual delivery date.

## 4. Delivery/Packaging

4.1. The Supplier shall deliver the goods free of charge and at his own expense to the place of delivery specified by GEUDER. Should GEUDER, in exceptional cases, have agreed to pay freight charges, then the Supplier must either use the mode of freight as designated by GEUDER or the most advantageous mode of transportation and delivery.

4.2. Risk and perils of loss or destruction of the goods are only transferred to GEUDER once the goods have been delivered to and accepted by GEUDER at the place of delivery.

4.3. The price for the goods does include packaging including transport packaging. Should other agreements be made, then the packaging is to be invoiced at cost incurred by Supplier. The Supplier shall use the packaging specified by GEUDER and is responsible for the packaging protecting the goods against damages. In case transport packaging material is returned to Supplier, Supplier shall reimburse GEUDER at least two-thirds of the invoiced value thereof.

## 5. Documentation

5.1. Each shipment has to be accompanied by two copies of the invoice and the delivery note. These documents must contain the following:

- Number and date of the order
- Quantity and quantity units
- Gross, net and, if applicable, calculation weight
- Article description and article number of GEUDER
- Remaining quantity in case of partial deliveries

5.2. In the case of delivery by freight, a separate dispatch notification is to be sent to GEUDER on the date of dispatch.

## 6. Pricing

6.1. Unless agreed upon otherwise the prices which have been agreed upon are fixed unless Supplier does generally reduce his prices.

6.2. The Supplier will not grant to GEUDER prices and conditions which are less favorable than the prices and conditions granted to other customers under the same or similar circumstances.

## 7. Invoicing/ Payment

7.1. Each order is to be invoiced separately. Payment is only made following receipt of the invoice and upon full receipt of goods without deficiencies in quantity or quality, or, as the case may be, the completion of a faultless service. This is also the case for partial deliveries. Delays of payment resulting from incorrect or incomplete invoices do not affect the discount period as per sect. 7.2.

7.2. GEUDER shall make the payment within thirty calendar days. Unless agreed upon otherwise, GEUDER may deduct a discount in amount of 3% if GEUDER should make the payment within 14 days. This period begins with the receipt of the invoice by GEUDER or with the delivery of faultless goods or services, whichever is later.

7.3. The Supplier shall not assign any claims from an order by GEUDER to third parties without

approval by GEUDER. Payments will only be made to the Supplier.

## 8. Guaranty / Warranty / Complaints

8.1. The Supplier is responsible that the goods meet the specifications, including those for get up and labeling, issued by GEUDER. Orders placed by GEUDER are to be executed properly and professionally using the most recent technology

8.2. Should delivered goods be defective, then GEUDER may grant Supplier an adequate deadline to fulfil his obligation. Should this deadline not bring the desired results, then GEUDER may cancel the contract, or reduce the price and claim damages should the legal requirements therefore be fulfilled. In addition GEUDER may in this case repair the defective goods himself or through third parties and charge the resulting expenses to the Supplier. In urgent cases in particular if GEUDER has reasons to believe that the Supplier cannot correct defects in time, GEUDER may repair the goods himself or through third parties without giving the Supplier a deadline. The Supplier must reimburse the resulting expenses.

8.3. Unless otherwise stated hereinabove, the statutory warranty provisions shall apply.

## 9. Product Liability

The Supplier shall keep GEUDER and its officers harmless from any product liability claims attributable to Supplier as if the Supplier would be directly liable.

## 10. Industrial Property Rights

The Supplier is responsible that the delivered goods and the use and sale thereof does not infringe any patent or other industrial property rights of third parties. He shall keep GEUDER and GEUDER's customers harmless from all claims related to the violation of such industrial property rights. The aforesaid does not apply if the Supplier had committed such violation by following drawings, models and other comparable descriptions or instructions issued by GEUDER.

## 11. Force Majeure

Wars, civil wars, export and trade restrictions which result from changes in the political situation as well as strikes, lock-outs, business hold-ups and limitations and other events beyond the control of GEUDER which make it impossible or unacceptable for GEUDER to fulfill its contractual obligations are considered as Force Majeure and release GEUDER, during its existence, from accepting the goods as agreed upon. Should Force Majeure occur, then the contract parties shall inform each other and modify their obligations in good faith in consideration of the changed circumstances.

## 12. Custody / Ownership

Materials which GEUDER has provided remain GEUDER's property. Such materials are to be stored separately from other materials of the Supplier and may be used only for executing orders of GEUDER. The Supplier is liable for any losses or damages to these materials while they are under his control without GEUDER bearing the burden of proof that Supplier was responsible for any such losses or damages. The Supplier may not be held liable if he can prove that the losses or damages could not have been prevented by applying best efforts. Goods made with materials which GEUDER has provided are GEUDER property in each stage of production. Supplier shall diligently store these products for GEUDER. Costs of such storage are included in the purchase price.

## 13. Disposal of Electric and Electronic Devices

If and insofar the German Law on the Disposal of Electric and Electronic Devices (Elektro- und Elektronikgeräte Gesetz - ElektroG) dated 16. March 2005 (in the version currently applicable) imposes the obligation to dispose used electric and electronic devices and/or other duties related thereto on the Supplier or any of its distributors or agents, the Supplier or any distributor or agent of the Supplier may not impose such on GEUDER. Any Provision in the General Terms and Conditions of the Supplier which contain any such imposition shall not be valid in the relations between the Supplier and GEUDER.

## 14. Confidentiality / Advertising

14.1. The Supplier shall treat all GEUDER orders and all commercial and technical details related thereto as trade secrets.

14.2. The Supplier may not, without GEUDER's written permission, advertise with the name or brand "GEUDER", with his position as Supplier or manufacturer for GEUDER, or with the products or other details regarding the cooperation with GEUDER, nor pass corresponding information to third parties for the purposes of advertising or being added to reference lists. GEUDER's written permission may be revoked at any time.

14.3. Unless the Seller is authorised by GEUDER in writing in each individual case the Seller shall not publish goods, products, or parts produced or specifically purchased for GEUDER. The aforesaid does in particular apply to publications in print-media, in the Internet, in films, or in electronic communication as well as in advertising mails, on fairs and exhibitions or similar events and is independent of whether GEUDER is mentioned or not.

## 15. General Provisions

15.1. The laws of the Federal Republic of Germany with the exception of the United Nations Convention on Contracts for the International Sale of Goods (CISG) and German private international law shall apply to all legal relations between Supplier and GEUDER.

15.2. Both parties agree that GEUDER's legal seat serves as the exclusive basis for the place of jurisdiction and performance.

## 16. Final Clause

16.1. If GEUDER has concluded a frame-contract with Supplier, then this frame-contract has precedence over the relevant Terms and Conditions of Purchase contained herein with the proviso that other Terms and Conditions of Purchase shall remain valid as addition to such frame-contract.

16.2. GEUDER is entitled to store, process, use, and transfer any data relating to or resulting from the business relationship with the Supplier, whether these data have been communicated by the Supplier himself or by third parties while observing the provisions of the German Data Protection Act.

Heidelberg, March 1<sup>st</sup>, 2006  
GEUDER Corporation, Hertzstr. 4, D-69126 Heidelberg