

General Terms of Purchase and Delivery for the members of the GWE Group

Date: 01-05-2010

The following terms and conditions apply to the purchase/delivery relationship between the seller/work contractor (Supplier or Contractor) and the member of the GWE Group (GWE) exclusively.

§ 1 Conflicting general terms of business

The general terms and conditions of business of the Contractor shall become an integral part of the contract without the written approval of GWE only if such terms and conditions do not conflict with these Terms of Purchase and Delivery, even if they are used by the Contractual Partner at a later point in time. Conflicting general terms and conditions of business shall not affect the validity of the concluded contract. In the event of conflicting terms and conditions, statutory provisions shall apply.

§ 2 Offer/Purchase orders/Order documents

- The Contractor shall prepare offers free of charge. Offers shall be submitted by the date named in the inquiry. The Contractor must exactly adhere to the specification and wording of the inquiry made by GWE. The Contractor is obliged to expressly point out any deviations.
- Purchase orders must be in writing and shall be confirmed in writing by the Contractor without delay. Verbal purchase orders, amendments or supplements to purchase orders are binding only if they are confirmed by GWE in writing. If the Contractor does not accept a purchase order within 14 calendar days, GWE is entitled to revoke its offer prior to receipt of the Contractor's declaration of acceptance.
- GWE reserves the rights of title and copyrights, as well as any other intellectual property rights to photocopies, drawings, calculations, raw material and product specifications and other documents; they may not be made accessible to third parties without the prior written approval of GWE and shall be used exclusively for performance of the contract between the Contractor and GWE.
- Performance specifications, drawings, declarations of weight, measurements and consumption, raw material and production specifications of GWE are binding and describe the agreed nature of the goods.

§ 3 Contract implementation/Default/ Contractual penalty

- The agreed prices are fixed prices. They include free delivery to the forwarding address and packaging. If reusable packaging is returned without processing, the Contractor shall credit GWE two-thirds of the amount invoiced for the packaging.
- Drawings, declarations of weight, measurements, consumption and particulars on capacity by GWE are binding and describe the agreed nature of the goods.

- The Contractor shall send GWE an invoice at least in duplicate separately by post after the dispatch/delivery of the goods.

The Contractor must quote the purchase order number, delivery note number and date on each invoice. In addition, the VAT shall be shown separately on the invoice, insofar as the Contractor is an entrepreneur as defined by the German VAT Act (UStG). Invoices which do not meet these requirements shall be returned.

Irrespective of its other rights, GWE has a right of retention to the purchase price/compensation for work until an invoice is submitted which meets these requirements.

- The Contractor grants GWE the following terms for settlement of the invoice, unless otherwise agreed:

- 3 percent discount upon payment within 14 workdays after receipt of the goods and the invoice or
- net without any deduction within 30 workdays with the means of payment to be freely chosen by GWE.

- All the agreed delivery dates are binding. If the Contractor is at fault for failing to meet a specific or determinable calendar date for delivery it shall be in default without any further reminder or without any additional period being granted. Where a fixed calendar date for delivery is stated, upon the expiry of that day; where a specific calendar week is stated, upon the expiry of the last workday of that week; where a calendar month is stated, upon the expiry of the last workday of that month. In the event of default by the Contractor, a contractual penalty of 0.2 percent, however a maximum amount of 5 percent, of the total net volume of the purchase order/ contract/ order placed shall be imposed for each workday by which the period is exceeded.

§ 4 Delivery/Accompanying documents/Packaging

The Contractor must comply with the dispatch instructions with the utmost meticulousness and ensure proper and careful packaging. The Contractor shall provide each delivery with a packaging slip which shows

- the purchase order number of GWE
- the date of the purchase order
- the exact content of the delivery/consignment.

The Contractor or third parties entrusted with this task by it shall make deliveries only during the opening hours of GWE.

The contractor has to make sure that the following documents are at our disposal before the goods arrive the destination:

- Packing list
- Certificate of Origin
- Fumigation Certificate
- Commercial invoice showing the Customs Tariff Number
- AWB / Bill of Lading

2.70 G / pue

1/2

§ 5 Passing of the risk

The Contractor bears the risk until the delivery is handed over at the place of use. This also applies if delivery ex works is agreed in an individual case or if GWE should carry out the dispatch for its own account.

§ 6 Notice of defect/ Claims arising from defects

1. GWE shall notify defects within two weeks after discovery thereof.
2. The statutory periods for the limitation of claims based on defects apply. The elimination of defects or the delivery of replacements including any dismantling or reassembly shall be carried out free of charge for GWE. All the costs incurred in this connection for GWE shall be borne by the Contractor. This is without prejudice to any further claims for damages.
3. The Contractor is liable based on legal provisions, in particular for intent and any kind of negligence. Liability cannot be limited in terms of amount.
4. In case of used objects, nos. 1 to 3 apply accordingly.
5. The Contractor assumes a guarantee for the nature of the goods and a manufacturing guarantee pursuant to Section 443 of the German Civil Code (BGB).

§ 7 Liability

The Contractor is liable based on legal provisions, in particular for intent and any kind of negligence. Liability cannot be limited in terms of amount.

§ 8 Orders for performance/Provision of materials, drawings, samples

1. For performance under assembly, repair and work orders, the Contractor is obliged to observe the regulations of the German Employers' Liability Association during the performance of all work. It bears sole responsibility and liability for all damage caused by it or its representatives or vicarious agents. It must indemnify GWE internally against all claims for damages and consequential damage which are asserted against GWE in connection with its delivery or performance owed under the contract.
2. Insofar as GWE provides materials to the Contractor for the execution of orders the materials provided remain the property of GWE. The Contractor is obliged to clearly mark the material provided as such and to store it separately, especially so that no mingling/combination occurs. The Contractor undertakes to use the material entrusted to it only for the production planned under the contract. In the event that a loss of ownership occurs for GWE through processing, the Contractor hereby assigns to GWE its rights of ownership arising there from. Moreover, the Contractor is obliged to immediately notify GWE in writing of any seizure threatened or already executed or any other impairment of the rights

of GWE (stating the data required to protect the rights of GWE).

In case of non-compliance or any act in breach of the points above, GWE is entitled to demand damages from the Contractor. In addition, the Contractor is obliged to insure the material provided by GWE at its own expense against all customary risks. The Contractor hereby undertakes to assign to GWE all the insurance claims arising if the insured event should occur.

3. In case models, samples, tools and similar products have been manufactured in whole or in part at the expense of GWE, these shall pass into the ownership of GWE upon production. Drawings, models, samples and similar items sent in to the Contractor remain the property of GWE. They as well as goods produced on the basis of these may not be provided to third parties or used for advertising purposes without the approval of GWE. They shall be returned to GWE after the delivery of the order at the latest. The Contractor shall store them carefully, maintain them and renew them so that they can be used at any time. GWE is entitled to demand the surrender thereof from the Contractor at any time. If the Contractor fails to comply with these obligations, GWE may claim damages.

§ 9 Covenant against assignment/Place of performance/Place of jurisdiction

1. Without the separate written approval of GWE, the Contractor is not permitted to transfer, assign or pledge the delivery commitment or the payment claim under the contract between the Contractor and GWE in part or in whole to third parties.
2. The place of performance for the delivery is the forwarding address stated in the order placed by GWE. Insofar as admissible pursuant to Section 38 of the German Code of Civil Procedure (ZPO), the place of payment and the place of jurisdiction is Schrobenhausen (GER-BY).

§ 10 Partial invalidity

Insofar as these Terms of Business should be invalid in whole or in part, this shall not affect the remaining terms of the contract. In such a case, statutory provisions shall apply.

§ 11 Applicable law

In addition, the laws of the Federal Republic of Germany apply to the contract and its entire implementation in substantive and procedural respects to the exclusion of the UN Sales Convention.