

GENERAL CONDITIONS OF PURCHASE

Glaston Germany GmbH, Karl-Lenhardt Str. 1-9,
75242 Neuhausen-Hamberg, Germany

1. Conclusion of contracts

- 1.1. These terms and conditions apply to all business transactions in which we act as the creditor against services-in-return, in particular with regard to purchases, purchase orders and commissions placed by us, unless other terms and conditions have been expressly agreed with us in writing. This also applies if these conditions are not mentioned in any later contracts.
- 1.2. No other conditions imposed by the contractual partner form part of the contract, even where we have not expressly refuted such condition. This applies in particular to any reservation of property rights stated in terms and conditions of business and which may be used against us.
- 1.3. The goods supplied may not differ from the standard on which the contract was based except by our agreement. Even once the contract has been concluded, we may demand changes to the goods supplied, provided that such changes are reasonable. In addition, where requested, the goods supplied shall include, free-of-charge, the design and/or assembly drawings in the form of diazo prints (two copies of each). Operating and assembly instructions in German (and, on request, in French and English as well) form part of the scope of supply.
- 1.4. Contractual partners are under an obligation to treat all confidential business or technical information, of which they become aware as a result of the business relationship, as business secrets. Sub-contractors must be placed under the same obligation.

2. Purchase order

- 2.1. A purchase order is deemed to be issued only when drawn up and signed by us. Purchase orders issued verbally or over the telephone are binding on us only once we have subsequently confirmed the order in writing. In each case any specification drawings issued by us, including the stated tolerances, are binding. In accepting the purchase order the contractual partner acknowledges that it is fully informed, by means of the available plans, with regard to the type of design and scope of the service to be rendered. We are not obligated by any obvious mistakes, typing and calculation errors contained in the documents, drawings and plans submitted by us. The contractual partner is under an obligation to make us aware of any such mistakes, so that our purchase order can be rectified and reissued. The same applies to any documents or drawings that may be missing.
- 2.2. Acceptance of the purchase order must be confirmed to us by means of a signature on the copy of the purchase order within two weeks of the date of the purchase order, otherwise we are entitled to cancel the order.
- 2.3. Quantities and quality at variance with that stated in the wording and other content of our purchase order, and any subsequent alterations to the contract are considered agreed only once expressly confirmed in writing. Any claims arising from material defects remain unaffected hereby.
- 2.4. The Supplier is bound to its quotation for a period of eight weeks. This period is calculated from the date the quotation reaches us.

3. Prices

- 3.1. Unless otherwise expressly stipulated, the agreed prices are fixed prices, unless the contractual partner reduces the prices concerned in general. The contractual partner will not grant us less favorable prices and conditions than those given to other customers, where and inasmuch as, in the specific case, such customers state the same or similar requirements.
- 3.2. If, at the time of placing the order, the price has not been stipulated, it must be given to us at the latest at the moment of confirmation of the order. The stated price is binding only where we have agreed to it in writing.

4. Dispatch

- 4.1. The goods will be delivered free of charge to us, at the cost of the contractual partner, to the receiving point nominated by us. If, as an exception, we are to bear the cost of freight, the contractual partner must choose the type of conveyance nominated by us, otherwise the method of conveyance and type of delivery most favorable to us. The agreement as to the place of performance is not affected by the pricing method. We must be informed without delay of all deliveries, by means of a dispatch note, accurately broken down by type, quantity, and weight. Dispatch notes, bills of lading, invoices and all correspondence must contain our supplier number, purchase order number and article number.
- 4.2. We will accept only the quantities and number of units ordered by us. Deliveries exceeding or falling below our order, and partial deliveries, may be made only by prior arrangement with us. Delivery is made at your risk.

5. Packaging

Packaging is included in the price. In the event that, exceptionally, a differing agreement has been made, the cost of packaging must be calculated at cost.

The contractual partner must select the packaging specified by us and ensure that the goods are protected from damage thereby. In the event of a return a minimum of two thirds of the calculated value is to be credited. The obligation by the contractual partner to accept returned packaging is in accordance with the statutory legislation.

6. Invoicing and payment

- 6.1. A separate invoice must be drawn up for each purchase order. Once delivery has been completed, invoices and credit notes must be sent to us in the correct format, in duplicate, together with all relevant documentation and information. The risk of any accidental loss of payment is borne by the recipient. Any incorrectly submitted invoices are deemed to have arrived with us from the date of correction. Any delays caused by incorrect or incomplete invoices shall not have any effect on discount periods. Payment is made by standard commercial methods once the defect-free goods have been received, or once the service has been provided in full without defect, and upon receipt of the invoice. It is agreed that payment objectives are as follows: payment within 14 days - 3% discount.
- 6.2. Where certification of materials inspections form part of the contract, these are a significant component of the supply, and must be sent to us with the invoices. If not enclosed with the invoice, they must be sent to us within ten days of receipt of invoice. The term of payment for invoices shall start upon the date that the contracted certification is received. In the event that the goods supplied are faulty, we are entitled to withhold payment in proportion to the value, until the contract has been properly performed.
- 6.3. Any claim by the contractual partner on us may be assigned to third parties only with our agreement. Payment is made only to the contractual partner.

7. Delivery dates

- 7.1. Agreed delivery deadlines and dates are binding. They begin from the date of the purchase order. The decisive factor with regard to the delivery dates or delivery deadlines is the moment that the goods arrive at the point of receipt or the point of utilization as nominated by us. The risk on goods supplied is transferred to us only once the goods have been handed over to us and, where an acceptance procedure has been agreed, only once that acceptance procedure has been successfully carried out. In the event that the contractual partner encounters an interruption to the delivery of goods, it is under an obligation to inform us without delay by phone or by fax; any agreed dates, in particular fixed dates, are unaffected hereby. Should the contractual party not provide such information, or delays in doing so, we shall be entitled to compensation for damages arising from such lack of, or delayed, information, without prejudice to any further claims.
- 7.2. In the event that the deadline is exceeded we are entitled to choose either to withdraw from the supply contract concerned, or, while still maintaining our claim for performance of contract, to demand payment of lump sum default damages, in the amount of 10% of the relevant value of the order, on the goods delivered late, for each week of the delay, to a maximum of 30%; the contractual partner is permitted to provide evidence that no damage or reduction in value has arisen for us, or that such is considerably lower than the lump sums concerned. The right to assert a further claim for damages is expressly reserved. You may cite failure to provide necessary documentation to be supplied by us, only if you have received the documents in writing and not immediately. Force majeure and industrial disputes shall release the contractual partner from its obligations for the duration of the interruption and to the extent of the effect of such. The contractual partner has no claim of any kind against the ordering party for reasons of loss of capacity. In the event of a delivery earlier than agreed, we reserve the right to refuse to accept delivery where such acceptance be associated with unreasonable expense; in such a case the risk is not transferred. In the case of early delivery and where the goods are not returned, the goods will be stored on our premises until the due date for delivery, at your expense and risk.
- 7.3. We accept partial deliveries only by express agreement. Where partial consignments have been agreed, the quantities remaining for delivery must be listed.

8. Warranty

- 8.1. You guarantee and warrant that all goods and services are supplied at the latest state of technology, and that they comply with all relevant statutory legislation, with local authority, professional trade association, and industry association regulations and guidelines, and with European directives. The technical specifications belonging to each individual article and drawing form part of the supply contract concerned, and also apply to supplementary and follow-up orders. In the case of goods supplied to a sample, the goods must comply with the specifications, characteristics, and standards of the sample.
- 8.2. All the characteristics stated in paragraph 8.1 are the agreed quality characteristics of the item.

9. Claims arising from material defects

- 9.1. We accept goods always subject to inspection for quantity, quality, and suitability. We will inform you immediately in writing of any obvious defect in the goods or services supplied, as soon as such can be ascertained in the course of proper business practice. The deadline is asserted at the moment that the notification of defects is sent. The contractual partner is under an obligation to supply post-performance without delay, either, as we may choose, by correcting the defect, or by delivering non-defective goods. If, despite the setting of a deadline, you do not correct the defect or supply replacement goods, we have the authority, while reserving all other rights, to correct the defect or provide the replacement goods ourselves, or to have such done by a third party. The costs arising will be charged to the contractual partner. Furthermore, we are entitled to cancel the contract or to reduce it, and to assert our claims for compensation for damages. The contractual partner may not stipulate limits of liability based on the reason for, or the extent thereof.
- 9.2. The acceptance of incomplete or defective goods or services does not represent a relinquishing of our claim against material defects. The period of limitation for claims arising from material defects shall be in accordance with statutory regulations; any reduction of this period by the contractual partner will be opposed.
- 9.3. In the case of equipment, machinery, and plant, the period of limitations starts at the earliest on the date of acceptance, as stated in the written acceptance statement by our Purchasing Department. In the case of parts supplied, which could not be put into operation during the period of investigation due to a defect and/or as a result of the correction of the defect, the period for making claims arising from material defect shall be extended by the period during such suspension. Where parts have been repaired or replaced, the period of limitation begins again at this time.

9.4. In the event that, due to a breach of official safety regulations or under other countries' product liability regulations or legislation, a claim is made against us due to a fault in our product, and which is traced to your goods, we shall be entitled to demand damage compensation where such has been caused by the products supplied by you. This compensation shall also include the cost of a precautionary recall action. You are under an obligation to insure yourselves to an appropriate amount against all risks arising from product liability, including the risk of a recall, and upon request, to give us sight of the insurance policy. The provisions of §§ 478, 479 of the German Civil Law Code are unaffected hereby.

10. Industrial Property Rights

Drawings, engineering designs, models, samples, descriptions, and records provided by us must be handled and safeguarded in accordance with our instructions. They must be returned to us immediately upon completion of the contract; any right of retention of such by the contractual partner is excluded. The contractual partner is not entitled to use these documents for its own purposes or for the purposes of others. Even after completion of the contract, these must not be made accessible to third parties, nor utilized on their behalf. The contractual partner is liable for ensuring that no patents or other industrial property rights are breached by its goods supplied or by our utilization thereof. The contractual partner releases us and our customers from all claims arising from the use of such industrial property rights. This does not apply where the contractual partner has produced the goods supplied in accordance with descriptions or with instructions given by us and does not know or cannot know that industrial property rights have been breached in connection with the products it is producing.

11. Place of performance and jurisdiction

The place of performance for all obligations arising from contracts made with us is 75242 Neuhausen-Hamberg (Germany). The place of jurisdiction is the court generally responsible for the ordering party. However, the ordering party may also take legal action against the contractor at the general Court in the jurisdiction of the contractor. The law of the Federal Republic of Germany applies. The standardized law on the international purchase of movable objects and the standardized law on the conclusion of international purchase contracts do not apply.

12. Concluding provisions

If individual parts of these General Conditions of Purchase should be ineffective, the effectiveness of the remaining provisions shall remain unaffected.