

General Purchasing Conditions

March 2010

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The following purchasing conditions shall apply to all orders, except such conditions therein that are cancelled through separate written agreement. The acceptance of the order shall invalidate any general provisions in the supplier's order confirmation which are inconsistent with the present provisions related to the delivery terms for the execution of this order. There is no need for a special inconsistency with the delivery terms. In case of a permanent business relationship, even if no special reference is made, later orders shall be considered awarded according to our purchasing conditions, including any amendments thereto.

1. Ordering

Only written orders are binding.

Any other agreements shall require our written confirmation.

An order is considered accepted after you send us your order confirmation, i.e. the duly signed carbon copy of the order. Should you fail to confirm the order within 14 days, our purchase order shall become binding. No changes shall be made to our order without our express written approval. The supplier's delivery terms are binding to us only after we have expressly approved them in writing.

2. Prices and packaging

Unless otherwise agreed, the latest Incoterms shall apply to the cost transfer, and pricing shall be based on a fixed price. Domestic prices are net prices and exclude value-added tax. Excepting special provisions, all goods must be appropriately packed according to the prevailing trade practices, and in a suitable and proper manner. Unless otherwise agreed, all shipping and packaging material shall become our property; goods shall be returned at the risk and expense of the supplier.

3. Delivery dates and deadlines; default and force majeure

Agreed delivery dates and deadlines are binding. The due date for delivery of goods shall be the day the goods are received by the buyer. Unless ex-works delivery has been agreed, the supplier must deliver the goods in time, taking into account the usual time required for loading and shipment.

The supplier undertakes to indemnify the buyer for damage caused by default. If the Supplier fails for any reason whatsoever to effect delivery on due date, we are entitled, without waiving any rights or remedies provided by law and/or anywhere else under these General Purchasing Conditions and without reminder, to withdraw from the contract or to insist upon delivery. The contractual partners shall be relieved of their contractual obligations for the duration and the extent of acts of God, strikes, riots, acts of government, and other unforeseeable, unavoidable, and severe events. This also applies if these events occur in a period in which the contractual partner concerned is in contractual default. The contractual partners undertake to immediately provide the necessary information and adjust in good faith their obligations to the new circumstances. Should these events persist beyond a period of six months, we are entitled to withdraw immediately from the contract.

4. Shipment

In case third parties (forwarders, subcontractors, branch operations) are involved, the supplier must guarantee their compliance with our shipment terms. Consignment notes (delivery notes) must be sent in two copies to our destination factory as designated in the order immediately after departure of the shipment, attached to the bill of lading (not for bulk shipments) or, in case of air freight or mail, to the consignment itself, or, in case of shipments by forwarder, handed out to the forwarder with the note "bound for receiver".

The complete order number must be clearly indicated on the bill of lading, on the shipment papers intended for the receiver, and on the packaging itself (labelling).

All shipping documents, invoices, etc. must designate at least an estimate of the total weight (gross weight, net weight), and the article number. If the order bears a contract item number, the latter must be designated on each document and on all delivery papers.

In case of cross-border shipments from non-EU countries, two invoices for customs purposes, and movement certificates or certificates of origin must be attached to the shipment documents, or sent timely by express mail to the destination factory with the note "for customs" so that they reach the factory upon arrival of the goods. A "supplier statement" must be attached to the delivery papers of shipments from EU countries. We shall bear the transport insurance costs only if expressly agreed. Incidental expenses in connection with the order execution that are not regulated by the agreement or by the latest Incoterms shall be borne by the supplier. As for the rest, reference is made to the shipment terms relevant to each individual transaction and/or customs provisions or stipulations, which are considered an integral part of the present purchasing conditions.

In case of failure to comply with our shipment, clearance, and documentation terms, all the resulting risks, damages, and costs shall be borne by the supplier, or the date of maturity for payment shall be postponed accordingly until compliance or presentation of the missing documents.

5. Acceptance

Acceptance of the delivered goods and examination of the quantity and condition of these shall take place in our factory; in special cases, and if otherwise agreed in writing, acceptance can also be carried out at the place of delivery.

In all cases - even after the goods have passed into our possession or have been transferred to the forwarder, carrier, or other agent -, the obligation for examination and notice of defect shall only begin upon the use of the delivered goods. We only examine if the delivered goods comply with the ordered product type, amount and if any obvious damages have occurred during transportation. Insofar the Supplier waives his right to object to the delayed notice of defects. Deliveries are considered accepted only after we have expressly confirmed this upon request.

6. Transfer of risk

The risk shall pass to us only upon proper acceptance of goods at the place of destination.

7. Warranty

Unless otherwise agreed the supplier's warranty for delivery defects - these include the lack of guaranteed properties - shall be valid for two years after acceptance or commissioning. The Suppliers warranty for defective immobile goods shall be valid for three years after acceptance or commissioning. Without prejudice to our other rights emanating from the supplier's defects liability guaranty, we are entitled to repair defects or damages or have these repaired by third parties at the expense of the supplier, should the latter fail to meet his obligations within a period appropriate to us. The obligations of the supplier shall not be affected thereby.

A notice of defect is considered immediately valid for:

- a) patent defects up to 6 weeks after reception
- b) hidden defects up to 6 weeks after they have been discovered.

The Suppliers warranty for hidden defects shall be valid for three years after delivery or commissioning.

Irrespective of the one-year warranty obligation, complaints in connection with hidden defects can be made for a period of up to three years. In the case of goods that remain packed until their use, defects that do not become visible before unpacking of the goods are considered hidden defects.

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It will be assumed, that defects occurring within the first six month after delivery or commissioning, already existed upon delivery or commissioning.

8. The Product Liability Act

The stipulations in Federal Law Gazette 99/1998 as amended shall apply to their full extent.

9. REACH-Regulation

9.1 The Supplier guarantees, that any deliveries, that according to the Regulation EC no. 1907/2006 of the European Parliament and of the Council („Reach Directive“) are required to be registered, have accordingly been registered or pre-registered and furthermore the Supplier guarantees that it has complied with any other of its obligations arising out of or in connection with the „Reach Directive“, including but not limited to the obligation to provide information. Suppliers having its corporate seat outside the EU shall appoint a representative that assumes any obligations according to Article 8 of the Reach Directive, to ensure that we will not be treated as importer according to the Reach Directive, unless we decide in its sole discretion to act as an importer.

9.2 In case of a breach of clause 9.1 above, the Supplier shall indemnify and hold us harmless against any damages and losses arising directly or indirectly out of the breach, including but not limited to claims of third parties.

10. Invoices

Four copies of each invoice (abroad/inland) bearing the order number must be send exclusively to our factory address. Unless otherwise agreed, invoices must be presented collectively once a month.

11. Payment terms

Unless otherwise agreed, we shall effect payments on the 30th of the month following the month of delivery at a 3% discount, or 60 days after delivery at a 2% discount, and may choose to do so either through bank remittance, cheque, three months' acceptance, or bill receivable. Unless separately agreed, C.O.D. deliveries will not be accepted. We absolutely reject the collection of receivables through banks and we shall return unpaid any debt collection orders presented by banks. Assignments shall require our written approval. Payment periods, and in particular discount periods, shall begin with the date invoices are received. In case of payment with our own acceptance or bill receivable, we shall reimburse a discount interest equal to the discount rate as is it charged to us by our bank when discounting bills of exchange. We are entitled to prolong our own acceptance for another 3 months.

12. Order documents

All supplements to our inquiries or orders, as well as samples and models attached thereto, shall remain our property and shall not be used for any other purposes without our written consent; they must be returned unsolicited to us with the offers or following execution of the order. Use of our orders for advertising purposes is not permitted. The order and all relevant information or documents shall remain confidential. We shall not remunerate any costs for the processing of bids, plans, etc. The submission of bids implies the bidder's consent that technical tender documents, etc. can be made available to us, without any obligation arising for us, for technical examination, engineering partners, etc., after providing assurances for secrecy and against transferability. Tender documents shall not be returned.

13. Further determinations

a) Depending on the object of delivery, we are entitled to inspection and ongoing examination of production, or rejection of defective parts during production.

b) All subcontractors in connection with the execution of an order require our prior approval. Full or partial subcontracting to third parties shall require our prior written approval.

c) The supplier shall hold us free and harmless against any claims arising from the infringement of patents and trademark rights resulting from the execution of the order.

14. Integrity clause

a) The parties will take all reasonable measures to prevent corruption. In particular the Supplier shall take measures to prevent its customers respectively their employees from being promised, offered or given any undue pecuniary or other advantage. Furthermore the Supplier undertakes not to aid and abet third parties to these actions.

b) We are entitled to check the implementation of the measures mentioned in article a) above through an audit at the Suppliers premises. For this purpose the Supplier will grant us access to his premises and to the relevant records, manuals and documentation.

c) In case of a breach of the obligations in article a) and/or b) above by the Supplier, we shall be entitled to terminate the contract/rescind from the contract with immediate effect.

d) Supplementary the Rules of Conduct to Combat Extorsion and Bribery of the ICC, International Chamber of Commerce, Paris 2005, shall apply.

15. Performance

Unless a different place of performance is agreed upon in the order, the place of performance shall be Ranshofen. Notwithstanding the aforesaid, we are entitled to assert claims against the Supplier also at the courts which have jurisdiction over the Supplier's place of business. The place of jurisdiction is Ried im Innkreis. This contract is governed by Austrian law, without giving effect to principles of conflict of law.

Ordered and delivered goods have to fulfill all legal requirements.

Application of UN sales legislation is ruled out.

16. General provisions

The supplier must consider orders and all relevant documents secret and must keep these confidential. He shall be held liable for all damages resulting from the infringement of one of these obligations. No remunerations shall be granted for developing projections and the like. Unless otherwise agreed, the supplier shall bear any fees, costs, or duties in connection with the order.

The supplier must confirm his agreement with the present provisions upon acceptance of our order. Should the supplier fail to do so, the supplier's silence will be interpreted as a confirmation.

Apart from the full order number or inquiry number, all correspondence must also include the letter reference and date of previous correspondence. All queries must be addressed to our procurement department.

When in doubt, only the German version is valid, being the only authentic one.