

# General Conditions of Purchase

(Revised: 05.08.2010)

**PO number, line item number, item number and the statistical customs tariff number shall be given on every order confirmation, bill of delivery, invoice and in any other correspondence. Documents without these numbers cannot be processed! Any deviations from our order shall be marked in the order confirmation.**

## 1. General

The legal relationship between the supplier and MABEG is based on these conditions and any separate agreements made in addition to it. The general business conditions of the supplier shall not apply, even if we do not individually object to them.

## 2. Purchase orders, acceptance of orders

Only written orders shall be binding. Verbal agreements or agreements made by telephone require our written confirmation. A confirmation of the order must be sent to us in writing immediately. Call-forward notices are considered to be binding if the supplier does not raise objections within two weeks of receipt. We may demand changes to the construction and implementation of the goods as can be reasonably expected of the supplier. Any effect this may have on cost (increase or reduction) or delivery date must be mutually agreed.

## 3. Delivery date

The delivery dates (meaning date of arrival at MABEG) must be adhered to. Early delivery is only permitted upon receipt of our written consent and will not affect the agreed-upon payment date. The supplier may claim an event of force majeure having caused a delay in delivery only if they inform us of the reason immediately as soon as it has become known. In all other cases of delivery delays we reserve the right, without prejudice to other legal claims, to claim delivery and compensation for delayed delivery, or compensation due to noncompliance, and/or to withdraw from the contract upon expiry of a reasonable grace period. Losses subject to compensation include in particular any cost incurred by MABEG through special measures taken to compensate for the delay in delivery. Delays caused by the subcontractor of the supplier are considered to be the supplier's responsibility. All deliveries must be made in the exact quantity.

## 4. Regulations

The supplier is obliged to observe the regulations applicable at the site of use of the equipment supplied, especially with regard to accident prevention, environmental protection, equipment safety, etc. The supplier undertakes to inform us immediately if the goods are subject to foreign trade restrictions in Germany or at the place of delivery of the goods. Where necessary the supplier shall provide a certificate of non-objection issued by the responsible authority prior to delivery of the goods.

## 5. Insurance

Insurance costs will only be borne by us if previously agreed upon in writing. MABEG waives forwarding, logistics and warehousing insurance.

## 6. Delivery of documents

Instructions for storage, assembly and operation shall be supplied free of charge and in the language(s) requested. The same applies for documents which are required for the maintenance and repair of the goods. We shall be entitled to copy and process these instructions and documents and to pass them on to our customers.

## 7. Packing

The supplier is obliged to pack the goods at their own cost and in compliance with the packaging guidelines of the federal association for wooden packaging, pallets, export packaging (HPE). At our request, packing material is to be collected and taken back by the supplier at their expense.

## 8. Warranty

Without prejudice to any other statutory provisions, the following shall apply: The supplier warrants that parts of the consignment which prove to be defective or which become defective within the warranty period will - at our sole option - either be replaced by new ones to be delivered free on site or repaired. The same applies if the objects supplied are not state of the art or do not comply with the features and requirements specified by us or with applicable statutory or official provisions, in particular in respect of approval, labour protection and accident prevention. Any costs incurred by MABEG as a result of non-compliance with guaranteed quality or durability, or otherwise through the supplier's fault, shall be borne by the supplier. To the extent that the goods have been resold, MABEG's claim includes necessary expenses made with respect to our customer for the replacement or repair of defective parts, in particular the costs of transport, travelling expenses, labour costs and the costs of materials. The warranty period is 24 months and shall commence at the date of final acceptance. If no acceptance takes place, warranty shall commence at the date of initial use. In either case the warranty period shall expire at the latest 36 months after the delivery date. The warranty period for work on premises and buildings is 5 years from the date of acceptance. If defects are not corrected by the supplier within a reasonable period granted them, MABEG may use their statutory rights.

In emergencies or in cases of delay we may at the supplier's cost and risk procure replacement or correct any defects by ourselves or have them corrected. Warranty claims shall become time-barred after 12 months from notification of defect(s), unless a longer statutory limitation period applies. The statutory limitation is interrupted by a notification of defect(s) until the date on which the supplier finally rejects our claims by registered letter.

The abovementioned warranty terms shall also apply to replacement deliveries and subsequent adjustments. In particular, the periods mentioned under para. 1 shall commence anew on elimination of the defects.

## 9. Prices

The prices agreed are fixed prices and include, unless agreed otherwise, freight and packing.

## 10. Payment

Unless agreed otherwise we may, at our sole discretion, pay within 30 days from receipt of goods less 3 % discount or net within 90 days from receipt of goods. Payments effected by us shall be subject to later corrections in the case of complaints. In case we have to effect payments for which we have not yet received supplies and/or services, corresponding bank guarantees are to be provided in our favour prior to payment.

## 11. Assignment

Claims against us can only be assigned with our prior written approval. If the supplier transfers their claims against us to a third party without our prior approval, the transfer nevertheless takes effect. We can however - at our sole option - effect payment to discharge our obligation either to the supplier or the third party.

## 12. Retention of title

Any retention of title shall only be binding if it has been agreed in writing separately from the standard business conditions of the supplier. We explicitly decline any extended retention of title even if the supplier confirms it from case to case and we do not object to it. Materials provided by us for the performance of our orders shall remain our property. On the supplier's premises such material shall be marked as MABEG's property and stored separately. It shall only be used in the framework of the planned manufacturing process.

## 13. Secrecy

The supplier undertakes to treat all commercial and technical details not commonly known, that become known to them in the course of the business relations, as a trade secret. Our drawings, descriptions, performance specifications, illustrations, models, templates, devices, samples and similar information or objects must not be copied, made available or otherwise disclosed to unauthorized third parties without MABEG's consent. The reproduction of such items is only permissible within the framework of copyright regulations. They are made available to the supplier for the sole purpose of carrying out the order and are to be returned to us without being asked on completion of the order. The supplier is obliged to make sure that all their employees comply with this secrecy policy. The same applies mutatis mutandis to the items produced by the supplier according to our specifications. The same obligations shall be imposed on a subcontractor employed by the supplier. The supplier is not allowed, without our prior written consent, to make reference to their business relation with our company for publicity purposes. As we absorbed the activities of Georg Spiess GmbH relating to roll sheeters and sheet feeders in 1998, the aforesaid clearly also applies to documents bearing the name "Spiess".

## 14. Third party proprietary rights

The supplier shall be liable for all claims arising out of use in accordance with the contract which infringes on intellectual property rights or intellectual property applications of third parties. The supplier indemnifies us and our customers in respect of all claims arising out of the use of such proprietary rights.

## 15. Notice

In the event that the contract is terminated by us, the amount to be paid by us to the supplier shall not exceed that part of the price which covers the services the supplier has rendered up to this date.

## 16. Withdrawal from contract

We shall have the right to fully or partly withdraw from the contract for important reasons, or to request postponement of its execution to a later date without any additional claims on the part of the supplier. Important reasons include: strike, lock-out or other internal disturbances; furthermore the stoppage of payments by the supplier as well as the request to open insolvency proceedings with regard to the supplier's assets or property.

## 17. Dangerous goods

In the case of deliveries of dangerous goods, the supplier is fully responsible for the observance of the appropriate legal regulations such as marking, packing, forms, etc.

## 18. Law, place of jurisdiction, place of performance

German law shall be applicable. The exclusive place of jurisdiction is Darmstadt, Germany. We shall be free, however, to institute an action at the supplier's place of business. The place of performance is Mörfelden, Germany. If the order specifies a different place of destination, that place is to be considered as the place of performance.

The place of payment is Rüsselsheim, Germany.