

Purchase Conditions, Jowat AG

1. General Terms – Area of Application

- 1.1 Our Purchase Conditions apply exclusively; we do not acknowledge any terms of the Supplier which differ from or conflict with our Purchase Conditions, unless we have expressly confirmed their application in writing. Our Purchase Conditions are also valid in the event that we accept a supply made by the Supplier without attaching conditions in the knowledge that the terms of the Supplier differ from or conflict with our Purchase Conditions.
- 1.2 All agreements made between us and the Supplier for performance of this contract are recorded in writing in these Purchase Conditions.
- 1.3 Our Purchase Conditions only apply to companies, legal entities under public law and/or public-law special funds as defined in §310(1) Civil Code (BGB.)
- 1.4 Our Purchase Conditions also apply to all future business transactions with the Supplier.

2. Offers – Quotation Documents

- 2.1 The Supplier is obligated to accept our order within 2 weeks.
- 2.2 We reserve all rights of title and copyrights to all documentation we have supplied. These may not be forwarded to third parties without our express written consent. They are to be used exclusively for the manufacture based on our order; when the supply has been finalized, the Supplier shall return these of his own accord. They are to be treated as confidential with regard to third parties, this applies also after expiry of this contract; the obligation to maintain secrecy expires only if and insofar as the know-how contained in these illustrations, drawings, calculations and other documents has become public knowledge.

3. Price – Terms of Payment

- 3.1 Unless otherwise agreed in writing, the price covers supply CIP, including packaging. Any return of packaging material is subject to specific prior agreement.
- 3.2 Our price do not include the statutory rate of VAT.
- 3.2 We are not able to process invoices unless these indicate the order number as per our order. Any consequences for omission of this number are to be borne by the Supplier, unless he is able to prove that he is not at fault.
- 3.4 Unless otherwise agreed in writing, we shall make payments with 2 % discount if made within 14 days of supply and receipt of invoice, or net (without deductions) within 30 days of supply and receipt of invoice.
- 3.5 We have the right of set-off according to statutory regulations.

4. Delivery Period

- 4.1 The delivery period indicated in the order is binding.
- 4.2 The Supplier is obligated to inform us in writing and without delay if any circumstances occur or come to his knowledge which result in non-compliance with the agreed delivery period.
- 4.3 If the Supplier exceeds the deadline for supply, we are entitled to demand a flat rate late penalty in the amount of 1 % of the value of the supply per week, but not exceeding 10 %; we reserve right to bring higher claims in accordance with the statutory regulations (withdrawal from the contract or damages in lieu of performance). The Supplier is entitled to prove to us that no damage, or a much lower damage than claimed by us, has been caused by the delay.

5. Passing of the risk – Documents

- 5.1 Unless otherwise agreed in writing, the Supply is made CIP (Incoterms2000).
- 5.2 The Supplier is obligated to establish all supply papers and proforma invoices with our exact order number; in case he omits this, we cannot be held responsible for delay in processing.

6. Goods inspection – Liability for Defects

- 6.1 We are obligated to inspect the goods for possible non-compliance with the specifications concerning quality and quantity, within a reasonable period of time. Any complaint is deemed within due time if made within 5 days of goods entry, or in case of hidden defects upon finding of the defect at the Supplier.
- 6.2 We are entitled to the statutory liability claims in full; in any case we are entitled at our discretion either to demand elimination of the defect, or delivery of a new and flawless product. We expressly reserve the right to demand compensation, especially compensations in lieu of performance.
- 6.3 We are entitled to eliminate the defect at the expense of the Supplier, in case

of imminent risk or special urgency.

- 6.4 The period of limitation is 36 months, dating from passing of the risk.

7. Product Liability – Indemnity – Liability insurance

- 7.1 To the extent that a Supplier is responsible for a product claim, he is obligated to indemnify us against claims for damages of third parties upon first request, if the cause for these damages lie within his authority and organisation and if he assumes liability as to third parties.
- 7.2 Under his liability for damages as defined under (1), the Supplier is also obligated to reimburse any expenses according to § 683 and § 670 Civil Code (BGB) and also according to § 830, § 840 and § 426 Civil Code (BGB); which result from, or in connection with, any product recall action carried out by us. We shall inform the Supplier on content and scope of the recall action necessary – as far as possible and equitable – and we shall give him an opportunity to state his position. All other claims and rights are preserved.

8. Industrial Property Rights

- 8.1 The Supplier guarantees that in connection with his supply, no statutory rights of third parties within Germany are infringed upon.
- 8.2 If, however, claims are raised against us in this respect, the Supplier is obligated to indemnify us against these, upon first written request by us; we are not entitled to make any agreement with this third party without consent of the Supplier, especially not make settlements with third parties.
- 8.3 This obligation to indemnify us also applies to any expenses which may necessarily result from the claims from a third party or in connection with these.

9. Applicable Law – Place of Performance

- 9.1 If the Supplier is a registered merchant, any dispute shall be settled in the courts of our place of commercial registration; we are, however, entitled to bring an action against the Supplier at his court of domicile.
- 9.2 Unless otherwise stated in the order confirmation, place of performance is our place of commercial registration.

(The present document is a translation of the German Purchase Conditions Jan. 01. 2003. In case of dispute, the original German documents applies.)



Jowat AG
Ernst-Hilker-Straße 10-14
32758 Detmold · Germany

Purchase Conditions, Jowat Klebstoffe GmbH

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06712 Göbitz · Germany