

**Terms and Conditions of Purchase
KERSTEN Elektrostatik GmbH**

1. Scope

The following terms and conditions of purchase shall apply exclusively to all our purchase orders and all agreements concluded with us as purchaser. The terms and conditions of the supplier are not accepted.

Our Purchase Terms apply only to contractors as defined in § 14 of the German Civil Code, legal persons under public law and separate estates regulated by public law.

2. Purchase Order and Authorized Representation

- 2.1 Orders are only accepted if made in writing or placed at an E-Shop. All agreements between ourselves and the supplier for the purpose of executing this contract are documented in writing in the contract. We are only liable for orders and any other declarations in the context of completion, as well as, changes or additions to a contract when they are made by a managing director, a "Prokurist" (holder of a special statutory authority) or one of our purchasing department employees. All forms of correspondence are to be addressed exclusively to the purchasing department.
- 2.2 We shall be bound by our purchase orders for a period of 2 weeks.

3. Prices and terms and conditions of payment

- 3.1 All prices of the supplier shall be inclusive of duties, packaging, insurance and transport, and exclusive of statutory sales tax.
- 3.2 Payments shall be made after delivery/acceptance and receipt of a verifiable invoice within 14 days less 3% discount or after 30 days net cash. We reserve the right to make payment by bill or check. Payment does not imply acceptance of proper performance.
- 3.3 The invoices must comply with the current statutory accounting guidelines.
- 3.4 The supplier may only offset claims against undisputed or legally established counter claims. A right of retention from previous or other transactions in the current business relationship is expressly excluded. Excepted from this is the right of retention due to undisputed or legally established claims.

4. Delivery time

- 4.1 The decisive date for observance of a delivery period is the date of receipt at the place of receipt stated by us or, in the case of deliveries including installation or erection or other services, the date of their acceptance.
- 4.2 If it becomes clear that a delivery or service will be delayed, we must be notified without delay. In such cases the supplier shall obtain our decision.
- 4.3 In the event of default in delivery we shall be entitled to demand a contract penalty of 0.5% of the purchase price for every week of delay or part thereof, limited however to no more than 5% of the purchase price. We reserve the right to assert the contract penalty also after acceptance of the delayed delivery up till the time of final payment.
- 4.4 We shall not be obligated to accept deliveries before the agreed delivery date, incomplete deliveries or non-approved part-deliveries. The supplier shall bear all resultant additional costs incurred by us.

5. Embargo list/Intrastat

- 5.1 The supplier shall state in the order confirmation and invoice whether the goods to be supplied are included in the current export list Annex AL to the German Foreign Trade Regulations.
- 5.2 The supplier shall state on the invoice the foreign trade number for Intrastat.

6. CE symbol/safety provisions

The supplier shall comply with the regulations applying at the place of use of the delivery, particularly the regulations governing accident prevention, environmental protection and machine safety. The supplier shall state whether the goods to be supplied by him require a manufacturer's declaration or declaration of conformity in accordance with EC directives and shall submit said declaration where applicable. In addition, the supplier shall enclose with the delivery free of charge the necessary storage, installation, maintenance and operating instructions - also for use by the final customer.

7. Shipment and passage of risk

- 7.1 The passage of risk shall take place upon delivery of the goods to the place of receipt named by us. In the case of deliveries which include installation or erection or other services, the passage of risk shall take place upon acceptance. Acceptance shall be recorded formally in a written report. Implied acceptance, in particular through taking into use, is excluded.
- 7.2 If we are unable to accept a delivery due to circumstances beyond our control, the passage of risk shall not take place until the circumstances in question have been eliminated and the goods are available to us at the place of receipt. We undertake to notify the supplier without delay if such circumstances arise or are expected to arise.
- 7.3 Shipment shall be carried out by a method of our choice. If under a separate agreement we are to bear the costs of shipment, the supplier shall select the most favorable method of shipment for us unless we have specified a certain method of shipment.
- 7.4 Each delivery must be accompanied by packing lists or delivery notes stating the content of the delivery and all identifying details (ordering number and purchase order item). Different articles shall be packed and identified separately. Shipment must be advised to us without delay, including notification of the details mentioned above.
- 7.5 Cross-border deliveries must be notified to us in good time for the purpose of proper customs treatment. In particular, all relevant transport data must be advised in good time before arrival of the goods and the documents necessary for customs clearance, such as waybills, commercial invoice, packing list, original bills of lading, etc. must be provided in good time.
- 7.6 If goods are to be delivered directly from the supplier to our customers, this must be advised to us before dispatch. All relevant transport data, such as method of transport, type of packaging, marking, number of packages, gross and net weight, etc. as well as customs invoices, packing lists, etc. enclosed with the consignment must be communicated by e-mail/fax on the date of shipment at the latest.
- 7.7 In the case of delivery of hazardous goods the supplier shall be responsible for compliance with the relevant statutory provisions until all the goods have been unloaded.

8. Warranty claims and liability

- 8.1 If a supplied product fails to exhibit the agreed properties or is deficient for other reasons, our warranty claims shall be governed by statute.
- 8.2 The warranty period for deficiency claims is 3 years. The limitation period begins upon receipt of the goods or acceptance of the service respectively. Longer statutory limitation periods shall remain unaffected by this.
- 8.3 Irrespective of the contractual deficiency claims, the supplier shall exempt us from all third-party claims which are directly related to deficiencies caused through services rendered or goods delivered by the supplier himself. This applies in particular to claims resulting from the willful infringement of third party property rights, unless the supplier manufactured the delivered goods according to the drawings, models, additional specifications or instructions supplied by us.

8.4 If product liability claims are made against us, the supplier shall indemnify us to the extent that he himself would be directly liable. In such cases he shall also reimburse us for the costs incurred by us for measures to prevent loss or damage (e.g. recalls); this shall also apply in the case of recognizable production faults or the threat thereof.

9. Subcontracting of orders to third parties

All obligations under the agreement shall be fulfilled by the supplier himself. The use of subcontractors is only allowed with our prior written approval.

10. Purchaser-supplied material

10.1 Materials provided by us shall remain our property and must be stored, marked and administered separately by the supplier free of charge. Such materials may only be used to fulfil our orders. The supplier shall bear the risk of loss or deterioration of purchaser-supplied materials.

10.2 The processing or transformation of purchaser-supplied material shall take place for us. We shall acquire (co-) title in the new or transformed item. The parties are agreed that we shall become (co-) owner of the new or transformed item. The supplier shall safeguard the new item free of charge for us with all due care.

11. Tools, molds, designs, secrecy, etc.

All tools, molds, designs, models, profiles, drawings, standard sheets, masters, gauges and software provided by us as well as all objects manufactured therewith may not be passed on to third parties or used for purposes other than the purpose of the agreement without our written consent. They shall be safeguarded against unauthorized inspection or use. Subject to further rights we may demand the surrender of said materials if the supplier fails to comply with these obligations. Information obtained by the supplier in the fulfilment of the order shall not be made available to third parties insofar as it is not already in the public domain or became known to the supplier lawfully in another way.

12. Place of performance, legal venue, applicable law

12.1 This agreement shall be governed by German law to the exclusion of the UN convention on the international sale of goods.

12.2 Providing the supplier is a merchant, legal person or separate estate under public law then the legal venue for all disputes relating to this contract is Freiburg i. Br. in Germany. We are also entitled to sue the supplier in his place of jurisdiction

12.3 The legal venue for all disputes in connection with this agreement shall be Freiburg i.Br. We shall also be entitled to bring an action against the supplier at the location of his registered office.

12.4 The invalidity of individual provisions of this agreement shall not affect the validity of the remaining provisions and the continued existence of the agreement. The invalid provision shall be replaced - unless dispositive law is used - by a provision which comes closest in its economic content to the invalid provision. The same shall apply in the event of a gap in the provisions.