

1. Conclusion of Contract

1.1 KACO GmbH + Co. KG Dichtungswerke (hereinafter called KACO) orders exclusively on the basis of its General Terms and Conditions of Purchase. Other conditions shall not become content matter of the Contract, even if KACO does not expressly contradict them. Should KACO accept delivery without express contradiction, it can in no way be inferred from this that KACO has accepted the delivery terms of the supplier. When making offers, the supplier must declare its agreement with the General Terms and Conditions of Purchase of KACO. Should such an express declaration be omitted, the execution of the order shall in all cases be considered an approval of the General Terms and Conditions of Purchase of KACO. These General Terms and Conditions of Purchase shall also apply to all future contractual relationships with the supplier.

1.2 Should the supplier make an offer on the basis of a request for a quotation from KACO, it must adhere precisely to the request from KACO and always refer specifically to any deviations.

1.3 Should the supplier not accept the order in writing within 10 working days after receipt thereof, KACO is entitled to withdraw.

1.4 Only written orders are legally binding. Verbal or telephonic orders must subsequently be made in writing in order to be legally valid. The same applies to verbal supplementary agreements and amendments to the Contract. Deliveries and services executed without a written order shall not be recognised. Orders, delivery call-off as well as their amendments and supplements may also occur by data transmission or machine-readable data carriers, after prior written agreement. In the case of formless business transactions, the order shall be considered commercial letter of confirmation.

1.5 Remuneration for visits or the development of offers, projects etc. shall not be afforded, unless remuneration was expressly agreed upon or a legal claim thereto exists.

1.6 If KACO can prove that KACO sent a declaration per fax or data transmission by presenting a transmission report, it shall be assumed that the supplier received this declaration.

1.7 The supplier must treat the conclusion of contract confidentially and may only refer to a business relationship with KACO in advertising material after written consent from KACO.

2. Prices, despatch, packaging

2.1 The prices agreed upon are fixed prices and exclude additional claims of all kinds. Costs for packaging and transport to the delivery address or point of use stated by KACO as well as duty formalities and duty are included in these prices. In the absence of a different written agreement the price for rail transport includes "free to train station Heilbronn", for all other shipments "carriage paid to works" including packaging. Should a price "ex works", "ex warehouse" or similar be agreed upon, the the forwarder specified by KACO must be instructed. All costs incurred until delivery to the forwarder including loading and cartage shall be borne by the supplier. Should no prices have been stated in the order, the supplier's current list prices shall apply with the deductions common in the trade. The type of pricing terms shall not affect the agreement on the place of fulfilment.

2.2 Delivery notes, consignment notes, invoices and all correspondence must contain the order number of KACO. Quotations must state the enquiry number.

2.3 KACO shall only accept the quantities or number of items ordered. Over or under deliveries are only permitted after prior arrangement with KACO.

2.4 Despatch occurs at the risk of the supplier. Thus the risk of any deterioration including incidental loss shall remain with the supplier until delivery has been effected to the delivery address or point of use requested by KACO.

2.5 The supplier's obligation to take back packaging is subject to legal provisions. The goods must be packed in such a way that transport damage is avoided. Packing material should only be used to the extent necessary for this purpose. Only environmentally friendly packing materials may be used. Should KACO in exceptional cases be invoiced for packing material separately, KACO is entitled to return packaging that is in good condition to the supplier carriage-free against a refund of 2/3 of the value shown on the invoice.

3. Invoicing and payment

3.1 As far as this is necessary for understanding, invoices must be submitted after delivery has been effected with all relevant documents and data, separately and in due form. Until a proper invoice has been submitted, KACO has the right to withhold payment. Decisive for payment are the actual quantities, weights or other units that the delivery is based on as well as the agreed upon prices.

3.2 Invoices and delivery notes must, in particular, show the KACO order number, the KACO item number and the KACO descriptions.

3.3 The invoice must be sent by mail in duplicate. The invoice may not be included with the delivery of goods.

3.4 The supplier's value added tax and VAT identification number must be stated separately on the invoice.

3.5 Unless expressly agreed otherwise, payment is made at KACO's choice either within 14 days with 3% discount or within 30 days net, calculated from the date of receipt of a proper invoice and, if appropriate, of the certificates pursuant to section 3.6, at the earliest, however, from receipt of goods.

3.6 Should certificates on material tests have been agreed upon, these shall form an essential part of the delivery and must be sent to KACO together with the delivery. However, they must be on hand at KACO at the latest 5 days after receiving the invoice. The payment term shall not begin before the agreed upon certificates have been received.

3.7 Settling an invoice does not constitute a waiver of a notice of defects with regard to the goods invoiced. In the event of defective delivery KACO is entitled to withhold payment, proportional to the value, until correct fulfilment.

3.8 In the event of advance payments, the supplier must provide appropriate security in the form of a bank guarantee from a recognised German high street bank.

3.9 Should KACO fall into arrears with payment, the supplier may only declare withdrawal from the Contract after setting a deadline with penalty of denial of service.

4. Delivery dates, delivery delays, force majeure

4.1 The delivery dates agreed upon are binding; when a fixed delivery date has elapsed, the supplier shall be in delivery default without this requiring a reminder. In the case of an obligation to provide, receipt of the goods at the address or site of use specified by KACO shall be decisive for adhering to the delivery date or delivery deadline. Should acceptance be necessary, the supplier shall be in default without reminder, if it has not delivered the goods by the agreed upon date in such a way that acceptance cannot be refused (Art. 640 para. 1 sentence 2 BGB [German Civil Code]).

4.2 Should the supplier realise that an agreed upon date cannot be adhered to for whatever reason, it must inform KACO of this in writing, stating the reasons and the anticipated duration of the delay.

4.3 Should the supplier be in default by exceeding the delivery date, KACO is entitled to impose a contractual penalty of 0.1% of the Contract value for every working day, at most however, 5% of the Contract value. The proviso to demand the contractual penalty can be asserted until the invoice has been paid. The contractual penalty must be offset against a claim for compensation from default damages. The contractual penalty is only the minimum amount of compensation.

4.4 The supplier may only invoke an absence of required documents to be delivered by KACO, if it has sent a reminder about the documents in writing and not received them within a reasonable period.

4.5 Force majeure exempts the Contracting Parties from obligations to perform for the duration of the disruption and to the extent of its effect. The Contracting Parties are obligated to supply the necessary information as soon as can reasonably be expected and to adapt their obligations to the changed circumstances in good faith. KACO shall be released from the obligation to accept the goods/services ordered in full or in part and entitled to withdraw from the Contract, if the goods/services are no longer usable for KACO due to the delay caused by force majeure – taking economic factors into consideration.

4.6 In the event of delivery earlier than agreed upon, KACO reserves the right to send the goods back at the supplier's expense. If goods are not returned when they are delivered early, they shall be stored by KACO at the supplier's expense and risk. In the event of early delivery, KACO reserves the right to make payment only on the agreed due date.

4.7 KACO shall only accept partial deliveries after express agreement. Should partial deliveries have been agreed upon, the remaining quantities must be listed.

5. Liability

The supplier is liable for every type of contractual violation in accordance with legal provisions, provided nothing otherwise has been arranged in these Terms and Conditions.

6. Material defects liability

6.1 The agreed specification is a component of the order and may only be changed by mutual consent. Part of the specification is also each binding description of the delivery volume or illustrations. Deviations from the specification shall always be considered a gross violation of obligations, unless KACO is able to convert the product to a condition in line with the specification itself without significant expenditure.

6.2 As far as it is economically and technically possible, the supplier undertakes to use environmentally friendly products and processes for

its goods/services and also for deliveries or additional services by third parties. The supplier is liable for the environmental compatibility of the products and packing materials delivered as well as for consequential damages that arise due to a violation of its legal waste management obligations. At the request of KACO, the supplier shall issue a certificate of inspection for the goods delivered.

6.3 KACO shall notify the supplier in writing of apparent defects of the goods/services as soon as they have been discovered during the proper course of business, at the latest, however, within 10 working days after KACO receives the delivery.

6.4 KACO is obligated to examine goods received for transport damage within 10 working days after delivery.

6.5 Part of the agreed upon quality of an item or a service are also properties that KACO may expect based on public statements by the seller, the company, the manufacturer (Art. 4 para. 1 and 2 of the Produkthaftungsgesetz [Product Liability Act]) or its assistants especially in advertising or during identification of certain properties, unless these deviate from agreed upon properties. This shall not apply, if the Contracting Party did not know about the statement and also was not obliged to know, when it was rectified in an equivalent manner at contract conclusion or could not influence the purchase decision.

6.6 In principle, KACO is entitled to the right to choose the type of remedy also in the case of a service contract, unless the Contracting Party entitled to a right to refuse remedy or KACO has chosen an unreasonable right of remedy from the company.

6.7 KACO may remove the defect of a product delivered or service rendered itself after an appropriate deadline set for remedy has passed unsuccessfully and demand refund of the necessary expenses, unless the supplier has justifiably refused remedy. In this regard, the legal provisions on self-help for a service contract (Art. 637 BGB [German Civil Code]) apply to a purchase contract accordingly. Irrespective of the legal provision, KACO may, in urgent cases for which the supplier is responsible, remove the damage itself at the expense of the supplier without setting a deadline for remedy, in particular to avoid an acute risk of significant damages, if it is no longer possible, as a matter of urgency, to inform the supplier of the defect and the imminent damage and grant it even a short deadline for corrective action.

6.8 Unless otherwise agreed, the statute of limitations on claims for defects shall be 36 months from transfer of risk.

6.9 The supplier shall take out insurance cover in an appropriate amount against all risks from product liability including the risk of recall and, on request, present the insurance policy to KACO for inspection.

7. Guarantee

7.1 The supplier guarantees and assures that all goods/services conform to the state of technology, the relevant legal provisions and the regulations and guidelines of authorities, government safety organisations and professional associations. Should deviations from these regulations be necessary in individual cases, the supplier must obtain written consent. The supplier's guarantee obligation shall not be limited by this consent from KACO. Should the supplier have any concerns about the type of design requested by KACO, the supplier must inform KACO of this in writing immediately.

7.2 The supplier guarantees and assures that all deliveries are free from third party trademark rights and, in particular, that the delivery and use of the objects of delivery shall not violate patents, licences or other trademark rights of third parties within Germany. If the supplier is aware that KACO also sells its products in other countries, the above also applies to these countries.

8. Spare parts deliveries

8.1 The supplier undertakes to supply KACO with all spare parts for the average lifetime of the delivered products.

8.2 The price for spare parts may not be higher than the price of an equivalent part on the open market.

8.3 If the production of spare parts was suspended after the time mentioned in section 8.1 has elapsed, the supplier undertakes to provide KACO on request with construction documents/drawings for an appropriate price and to use these documents for the production of spare parts for its own exclusive use. KACO undertakes not to make these documents accessible to third parties.

9. Heavy metal prohibition

9.1 The supplier undertakes only to deliver such products to KACO that conform to the EU Directive 2000/53/EC dated 18.09.2000 while taking the decisions of the European Commission of 27.06.2002 (2002/525/EC) into consideration.

9.2 Should the supplier deliver products that have been processed with substances that fall under the aforementioned EU Directive, the supplier undertakes to expressly make KACO aware of this.

10. Duties to notify

10.1 Should the supplier offer a product that KACO has already bought from it, it must refer to changes by its own accord, irrespective of any additional duties to notify, if the specifications have changed in comparison to an earlier product delivered under the same description.

10.2 On the basis of Art. 4 para.1 Geraete- und Produktsicherheitsgesetz [Equipment and Product Safety Act] the supplier must provide KACO with all information that is significant for an assessment of the risk to the safety and health of product users and third parties. Here especially the following must be taken into account

- the product's properties including its composition, packaging, the instructions for its assembly, the installation, maintenance and duration of use,
- its effect on other products, if its use with other products can be expected,
- its presentation, its packaging in the trade, labelling, warnings, instruction for use and operation and information on its removal as well as all other product-related data and information,
- the group of users that is exposed to a greater risk than others when using the product.

11. Trademark rights

11.1 The supplier exempts KACO and KACO's customers from claims by third parties for possible culpable infringements of trademark rights and bears all costs that KACO incurs in this regard.

11.2 In the event of infringements of trademark rights, the supplier initially has the right to conduct negotiations with the trademark owner about the existence, extent and scope of the trademark and about the amount of an appropriate licence fee.

11.3 Should this lead to a legal dispute, KACO is entitled to join the legal action on the side of the supplier. Should the supplier lose the action without KACO being responsible for this, it must reimburse KACO the costs of the legal action.

11.4 Should the supplier not conduct negotiations or should the supplier fail in its efforts to conduct negotiations, KACO is entitled to effect permission from the owners to use the goods and services concerned at the expense of the supplier. This claim amount shall be limited to the refund of the purchase price and compensation for damages arising from defect of title.

12. Extraordinary right of withdrawal

Should insolvency proceedings be instituted on the supplier's assets, KACO is entitled to declare a withdrawal from the Contract within 12 months after insolvency proceedings have been instituted.

13. Foreign business transactions

Should the supplier have branches abroad, the following shall apply additionally:

13.1 German law exclusively shall apply to the relationship between the supplier and KACO under exclusion of the laws of the international sale of movable goods (CISG).

13.2 The language of the Contract is German. Should the Contracting Partners use an additional language, the German version shall have precedence.

14. Final provisions

14.1 Should parts of the General Terms and Conditions of Purchase be legally invalid, the validity of the remaining provisions shall not be affected by this.

14.2 The supplier is not entitled to divulge the order or essential parts of the order to third parties without prior written consent from KACO.

14.3 The supplier is not entitled to assign its claims against KACO without prior written consent from KACO, who may not unreasonably refuse such consent.

14.4 KACO shall treat the supplier's personal data in accordance with the Bundesdatenschutzgesetz [German Data Protection Act].

14.5 Unless expressly agreed otherwise, the place of fulfilment for delivery obligations shall be the despatch address or point of use requested by KACO; for all other obligations on both sides this shall be Heilbronn.

14.6 All disputes arising from the contractual relationship shall be settled by the jurisdiction responsible for the head office of KACO, if the supplier is a merchant, a legal entity under public law or a separate estate under public law. KACO is also entitled to take legal action against the supplier at any other permissible location.

Notice pursuant to the German Data Protection Act: Personal data will be stored.