

VOITH

Conditions of Purchase

Unless otherwise agreed in writing, the following conditions shall apply exclusively:

1. Ordering:

Only orders placed or confirmed in writing shall be effective. The order, inclusive of purchasing conditions, shall be regarded as unconditionally accepted unless the Supplier sends the Customer a written declaration to the contrary within 15 days. All amendments require the express written approval of the Customer.

2. Delivery Time:

The agreed delivery time/reception date shall be binding. Any circumstances which prevent the delivery time from being met shall be notified to the Customer immediately. In the event of a delay, the Customer shall be entitled to demand for each complete week after the due delivery date an amount of 0,5%, max. 5% of the total value of the order - unless otherwise agreed explicitly. In case of higher damages the Customer shall be entitled to claim any of his legal rights for delay. The acceptance of the delayed delivery or service contains no relinquishment of the compensation. It is also to be paid even if no express reservation is declared upon acceptance.

3. Acceptance:

If an acceptance of the supplies and/or services or of parts thereof is agreed, this shall - at the Customer's request - be conducted at the Supplier's factory or at the place of delivery. Acceptance shall be made by an inspection certificate issued by the Customer.

4. Despatch:

Despatch shall be advised at the latest upon departure of the goods. The shipping address and the Customer's Order Number and item number shall be indicated in all despatch notes, bills of lading and parcel labels. Consignments for which the Customer is to bear the freight charges in whole or in part shall be transported at the lowest freight tariffs or according to the Customer's shipping instructions. Cartage at the place of destination will not be paid. The shipping instructions, especially the place to which the goods are to be delivered, which is at the same time the place of fulfilment, are to be indicated in the order.

The Supplier shall have the cargo secured by the carrier collecting it in order to prevent damage in transit due to inadequate or missing securing of the load. The Supplier shall be liable for all damage and costs arising from incomplete observance of or noncompliance with the Customer's instructions.

5. Packing:

The Supplier undertakes to only ship the goods he manufactured or machined in a packing that is environmentally friendly in type, shape, and size and that complies with the official packaging directives

being valid from time to time. Irrespective of whether the packing concerned is a transport packing, retail packing or outer protective wrapping, the Supplier agrees to take the packing back after use without any additional charge and recycle it instead of handing it over to the public waste disposal system. The Customer undertakes to handle any multi-way packing identified by him as such with care and make it available to the Supplier free of charge in the best possible condition.

6. Notice of Defects:

The Customer shall endeavour to check incoming deliveries with respect to transport damages and apparent defects of the goods immediately. §§ 377 ff. UGB (Austrian Commercial Code) shall not apply.

Any defects found, especially those that become apparent during machining, shall in urgent cases or for the purpose of reducing the damage, be repaired at Customer's factory or by third parties, with the Supplier having to reimburse the Customer for the cost. Any payments made by the Customer shall not be regarded as a relinquishment of the claim in respect of a defect.

7. Liability for defects:

The Supplier warrants that, at the time of passage of risk, the goods ordered by the Customer are free from defects affecting their value or suitability for ordinary use or for the use specified in the contract.

In the event of a deficient delivery, the Customer shall be entitled to claim his legal rights concerning defective goods. Claiming of any such rights shall be time barred after 24 months from commercial operation, but at the latest 30 months after duly delivery of the goods.

The Supplier undertakes in particular to bear all installation and removal costs as well as transport and recall costs to and from place of action in cases where evidence can be provided that such costs have been incurred due to deficient delivery. The Customer therefore recommends the Supplier to take out special liability insurance for installation, removal, transport and recall costs to and from place of action covering an amount of at least 250.000,00 € per case.

If the Customer informs the Supplier of the purpose and the requisite data of the goods and / or services to be supplied, the Supplier shall guarantee the suitability of the goods and / or services for the application. The Supplier undertakes to warrant permanent quality control by means of suitable tests and checks during the manufacture of the goods that he is to supply. He shall prepare documentation on these tests. The Customer shall have the right to see for himself how the tests and checks are carried out on site, also at sub-contractors' works, as the case may be.

The Supplier shall confirm the existence of a reasonable and adequate product third party insurance policy and undertakes to produce evidence of this on request.

8. Industrial Property Rights:

The Supplier shall be liable for claims arising out of any breach of intellectual property rights and applications of any such rights by usage of the goods and / or services acc. to the contract specifications by the Customer, the Customer's contract partners and / or the final user. In case of any breach of any such intellectual property rights Supplier will indemnify the Customer, the Customer's contract partners and / or the final user from any claim whatsoever.

9. Requirements relating to the placing on the market of machinery

As far as the delivery of products which fall under the field of application of an European Directive for the first - time placing on the market such a Machinery Directive, Pressure Vessels Directive, EMC Directive are concerned, the Supplier shall be liable for the conformity of its products with the relevant health and safety and formal requirements. If provided for in these Directives, the Supplier shall issue a declaration of conformity for its products and shall affix a CE mark.

In case of partly completed machinery according to the EC Machinery Directive no. 2006/42/EG, the Supplier shall issue and hand out a declaration of incorporation according to Appendix II B of the EC Machinery Directive in the form as requested by the Purchaser (extended declaration of incorporation) as well as in addition provide instructions for use in accordance with Chapter 1.7.4 of Appendix I of the EC Machinery Directive. If requested by the Purchaser, the Supplier shall either grant the Purchaser access and insight into the risk assessment conducted by him or shall hand it out to the Purchaser.

10. Prevention of Accidents:

If the Supplier has to render his services on the Customer's premises, the Supplier shall ensure that all legal rules and regulations regarding the prevention of accidents at the place of work are observed by his legal representatives or vicarious agents. The Supplier shall be liable for any harm inflicted on the Customer, his employees or third parties due to incomplete explanation or observance of the regulations pertaining to prevention. Vicarious agents in this sense are also the labour force put at the Supplier's disposal by the Customer. Upon provision, this labour force shall be subject to the Supplier's instructions.

11. Patterns and Tools/Secrecy:

Any patterns and tools which are manufactured at the Customer's expense by the Supplier shall become the property of the Customer upon payment. They shall be treated and stored with care by the Supplier and be insured at the expense of the Supplier against disasters such as fire, water, theft, loss and other damage. Resale of the parts manufactured according to these patterns and tools shall not be permitted without the express written approval of the Customer.

All drawings, plans and sketches which the Customer entrusts to the Supplier for the manufacture of the goods ordered shall remain the property of the Customer. They are trade secrets of the Customer and shall be treated confidentially. The Supplier shall undertake to treat them with care, not to make them available to third parties, to prepare copies only for the purpose of executing the order, and to return all documentation, including the copies, to the Customer upon completion of delivery.

12. Data protection Law in Austria (DSG 2000):

The Customer is entitled to store, transmit, revise and delete any person-related data of the Supplier in the course of business transactions. The data are sent to a central office of VOITH AG, St. Pöltener Straße 43, D-Heidenheim, and first stored there. The Supplier's attention is hereby brought to this.

13. Entrepreneurial Responsibility

The Supplier declares to support within the scope of its entrepreneurial responsibility, for ensuring that it will comply with all legal provisions, including all environmental protection laws, and regulations relating to labor law, and neither discrimination nor child labor are tolerated in the course of or in relation to the manufacture of products or the provision of services. The Supplier further confirms not to tolerate any form of bribery and corruption nor to agree to this in any way whatsoever.

14. General Provisions:

The assignment of claims without our express approval in writing shall be excluded.

Even in case of orders abroad, the Contract shall be governed by the laws of Austria, excluding the International Private Law Act, the renvoi rules of the Convention on the Law applicable to Contractual Obligations (EVÜ, Federal Official Gazette BGBl III 1998/208) and the U.N. Law on the International Sale of Goods (CISG).

Irrespective of the place at which the Supplier despatches the consignment, the place of jurisdiction for both parties shall be St. Pölten. The Customer may also sue at the place of business of the Supplier.

The entire Contract shall remain in force even if individual provisions are or become invalid (Salvatorian Clause).