

General Purchasing Conditions of Messrs. K+K, Industrievertretungen GmbH

As at January 2006

I. General Information

The following conditions are applicable to all purchase order. Contradictory conditions of the supplier will be accepted only if confirmed by us in writing.

II. Request for Quotations

Any request for a quotation is without any obligation. A request for a quotation must at any time be free of charge to K+K Industrievertretungen GmbH even if a delivery will not take place.

III. Reaching of an Agreement

An agreement will be reached only through a written confirmation of the order placed by K+K Industrievertretungen GmbH or when the supplier has executed the order or has started the execution of the order. The agreement becomes effective on the date of placing the order.

IV. Drawings and Patterns

The drawings, specifications, patterns, etc. made by K+K Industrievertretungen GmbH remain the property of K+K even if the supplier has paid a compensation. On completion of the order, all drawings, specifications, patterns as well as all copies and data carriers on which they might have been stored, have to be returned to K+K Industrievertretungen GmbH immediately. Without the prior written agreement of K+K Industrievertretungen GmbH, drawings, calculations, specifications, patterns, etc. may not be used for other purposes than for the internal use of executing the order. By not later than the day of the first delivery, the supplier provides all drawings, patterns, calculations and instructions needed by K+K Industrievertretungen GmbH in order to check and use the goods supplied.

V. Quality and Quality Assurance

The supplier has to make sure that the goods supplied correspond to the specifications, standards, patterns, drawings or other descriptions prescribed and approved by K+K Industrievertretungen GmbH. Deviations have to be approved in writing. Products which do not correspond to the specification are considered to be not delivered. With regard to these products, the supplier cannot make out an invoice.

VI. Date of Delivery

The date of delivery indicated by K+K Industrievertretungen GmbH is valid from the date of reaching the agreement under paragraph III of these conditions. The date of delivery is binding and the supplier gets behind when he exceeds the date of delivery. The goods must arrive in the buyer's factory on the mentioned date of delivery. If the supplier exceeds the date of delivery because of a circumstance described in the chapter "Force Majeure", the delivery period will be prolonged until a deadline reasonable to K+K Industrievertretungen GmbH.

If the supplier exceed the date of delivery because of a circumstance which does not fall under "Force Majeure" or if a delay in delivery because of "Force Majeure" is rightly not acceptable to K+K Industrievertretungen GmbH, K+K is entitled to terminate the contract with immediate effect.

In case of a delay in delivery because of a circumstance not falling under "Force Majeure", K+K Industrievertretungen GmbH has the right to claim for compensation of the damage suffered.

In any case, this compensation has to amount to 1 % per week of the value of the goods which couldn't be supplied by K+K Industrievertretungen GmbH because of the delay in delivery, irrespective of the right of K+K Industrievertretungen GmbH to claim for the actual damages occurred.

VII. Prices

All prices offered are fixed prices as long as nothing else has expressly been confirmed.

VIII. Guarantee

The supplier guarantees a good quality of the goods supplied for a period of 24 months after delivery and is obliged to replace faulty goods free of charge and on first demand.

If the supplier fails to replace faulty goods within a reasonable period, K+K Industrievertretungen GmbH is entitled to repair or to let the faulty parts repair at the supplier's charge and/or to terminate the contract with immediate effect.

The claim to a replacement supply is not affected by a payment of the goods supplied if it turns out later that the goods supplied were faulty. If K+K Industrievertretungen GmbH suffers a loss due to a delivery of faulty products, the supplier has to provide replacement and moreover, he has to pay to compensation for the damage sustained.

IX. Force Majeure

Some extraordinary circumstances which hinder the contract parties from meeting the agreement, are considered to be "Force Majeure". Such circumstances are for example natural disasters, fire, war, government instructions, foreign currency restrictions, revolution and strike. If it's obvious to K+K Industrievertretungen GmbH that the contract or part of the contract cannot be fulfilled because of force majeure, K+K Industrievertretungen GmbH has the right to terminate the contract without that the supplier can claim for damages.

If, as a result of force majeure, K+K Industrievertretungen GmbH recognizes that less goods are needed than ordered, K+K has the right to reduce the quantity of goods ordered without that the supplier can claim for damages.

X. Intellectual Property

The supplier guarantees that by buying and using the goods supplied, K+K Industrievertretungen GmbH will not offend against intellectual property rights of third parties. The supplier releases K+K Industrievertretungen GmbH from any claim. If a third party files a suit against K+K Industrievertretungen GmbH in connection with a violation of intellectual property rights, K+K Industrievertretungen GmbH will inform the supplier immediately and he will support K+K Industrievertretungen GmbH in such a suit and, if possible and requested by K+K Industrievertretungen GmbH the supplier will take on the suit.

XI. Secrecy

The supplier will treat all information and documentation of K+K Industrievertretungen GmbH with the strictest confidence.

He will make sure that all orders, contracts, patterns, calculations, products and moreover, all information relevant to the production of the goods, will not be shown or handed over to unauthorized persons. On first demand of K+K Industrievertretungen GmbH, the supplier has to return the concerned documentation, patterns, etc. Any copy or data carriers where information may have been stored, have to be destroyed or deleted.

XII. Legal Disputes

The current law of the Federal Republic of Germany will be applicable in case of a dispute between K+K Industrievertretungen GmbH and the supplier.

Any disputes arising hereunder will be settled before a court of law responsible for the place of K+K's head office.

However, K+K Industrievertretungen GmbH has the right to file a suit against the supplier at the place of the supplier's head office.

XIII. Prohibition of Cession

Without the prior written agreement which cannot be refused unreasonably, the supplier is not entitled to cede his requests for payment to a third party or to let his requests for payment collect by a third party. In case of an extended reservation of proprietary rights, the consent is taken for granted.