

PURCHASE TERMS AND CONDITIONS

These terms and conditions shall apply exclusively for those contractors who upon completion of the agreement are acting in pursuance of their commercial or self-employed activities.

1. Applicable Relationships

- 1.1. These Terms and Conditions and any possibly divergent hereto written agreements shall apply to the legal relationship between the Supplier and Alltec GmbH, An der Trave 27-31, D-23923 (hereafter known as "ALLTEC"). The purchase terms are also valid for all future business relations even if they have not been expressly agreed again. At the latest upon delivery of the merchandise or service these terms and conditions shall be deemed to have been accepted. Any validations on the part of the Supplier invoking his general terms and conditions or purchase terms and conditions are herewith excluded.
- 1.2. All agreements between the Supplier and ALLTEC must be made in writing.

2. Offers – Contractual Documents

- 2.1. Suppliers' offers shall be submitted in writing. Quotes are non compensatory.
- 2.2. ALLTEC shall retain intellectual property rights and copyright to all illustrations, drawings, calculations, models, appliances, samples and any other documents that ALLTEC entrusts to the Supplier for the purpose of preparing the quote or executing the order. The Supplier must insure at his own expense all aforementioned documents against theft, fire and other risks
- 2.3. The documents and items listed under Section 2.2 are only to be used for the express purpose of executing the order or to implement the contract and must be returned to ALLTEC without further request once the contract or order is completed.

3. Purchase Order

- 3.1. Delivery contracts (purchase order and acceptance) and delivery request schedules as well as any amendments or supplements hereto must be made in writing.
- 3.2. If the Supplier does not accept the purchase order within 5 days of receipt then ALLTEC is entitled to revocation. Revocation does not entitle the Supplier to compensation. Delivery request schedules are binding at the latest if the Supplier does not contest them within 24 hours of receipt.

If Supplier order acceptance or letter of confirmation diverges from the order then ALLTEC must be specifically informed. In this case a contract shall only be concluded once ALLTEC has given its written approval.
- 3.3. ALLTEC is entitled to request from the Supplier changes to the delivery item in design and/or execution. Any consequences arising here from in the form of increased or reduced costs or impacting on delivery dates must be settled by mutual consent between the contractual parties. If this is not possible then the Supplier is obliged first of all to carry out the changes demanded. The consequences of the changes are then to be settled by an arbitrator and are binding for both contractual partners. The arbitrator is to be appointed by the chamber of commerce within whose jurisdiction the ALLTEC registered office lies upon notification by one of the contractual partners.

4. Shipping Dates, Deadlines and Delays

- 4.1. Agreed dates and deadlines are binding. Compliance with the shipping date or deadline is deemed to have been effected once the goods have arrived at the ALLTEC facility awaiting shipment. If shipment "ex works" has not been agreed then the Supplier must have the goods ready taking into account the usual time required for loading and shipping.
- 4.2. In the event of a shipping delay then ALLTEC is entitled to compensation for all damages incurred as a result of the shipping delay...The Supplier may possibly have to prove his lack of fault for the delay. Foreseeable delays (date or quantity) must be reported to our Purchase department within 24 hours upon order receipt!
- 4.3. In the event of a delivery delay ALLTEC is entitled to demand for each working day of delay 0.5% of the proportional contractual amount for the outstanding delivery portion, however in total not more than 5%. Any other legal claims remain unaffected by this provision, in particular ALLTEC shall continue to be entitled to demand compensation in place of the service and to rescind the agreement if the appropriate deadline expires without success. The Supplier is entitled to prove that as a result of the delay no or significantly less damage has occurred.

- 4.4. If ALLTEC is prevented from accepting the shipment due to force majeure or other circumstances that ALLTEC is unable to prevent despite taking all due care (e.g. labour disputes, operational disruptions, unforeseen and unavoidable production changes and other circumstances that entail a decrease in demand), ALLTEC can request delivery at a later date without the Supplier being entitled to assert claims against ALLTEC as a result.

- 4.5. If shipments are made prior to the prescribed dates then ALLTEC shall retain the right to return the goods at the Supplier's own risk or to invoice the Supplier for any costs incurred by ALLTEC (e.g. demurrage) and to correct the payment date correspondingly.

5. Payment, Invoice and Delivery Note

- 5.1. Payment shall be made either by bank transfer or cheque.
- 5.2. In the event of acceptance of early deliveries then the due date is according to the agreed delivery date.
- 5.3. In the event of faulty deliveries then ALLTEC is entitled to withhold payment as a proportion of the value until orderly completion of the delivery occurs.
- 5.4. The Supplier is not entitled without prior agreement from ALLTEC to cede claims towards ALLTEC or to transfer title to third parties. In the event that the Supplier cedes his claims in breach of Clause 1 then ALLTEC is entitled to render to the third party with full discharge.
- 5.5. The invoice is to be sent in single copy. It must contain Supplier number, number and date of purchase order, (or of order completion and delivery request), additional details of the purchaser (account assignment) VAT identification number in the case of cross-border shipments within the EU, number and date of delivery note and quantity of goods invoiced. The invoice is applicable for one delivery note only. Invoice must be addressed to:

ALLTEC GmbH

PO Box 10 23 05

D-20016 Hamburg

No guarantee can be accepted for payment if this information is missing.

- 5.5.1. The Supplier shall be obliged in all written correspondence, delivery notes and documents addressed to ALLTEC to include the following details :

ALLTEC purchase order number

Name of purchaser

ALLTEC supplier number for the Supplier

ALLTEC article number with current index

Shipments carried out without including the above-mentioned details may not be able to be correctly allocated. Any costs ensuing to ALLTEC as a result must be borne by the Supplier.

ALLTEC is also entitled to refuse any incorrectly labelled goods or to return them at Supplier's expense. The preferred labelling is EAN barcode 128.

6. Notification of Faults

ALLTEC is entitled to notify faults in the delivery item up until expiry of the agreed warranty period. § 337 of the German Commercial Code is excluded.

7. Confidentiality

- 7.1. The contractual partners undertake to keep secret any information of a commercial or technical nature disclosed to them for the purpose of the Agreement that has not been made public.
- 7.2. Drawings, models, templates, samples and other similar items may not be entrusted to third parties or otherwise made accessible. Duplication of such items is only permissible for operating requirements and dependent upon copyright conditions.
- 7.3. Sub-contractors are to be correspondingly obligated; the agreement of the contractual partners must be requested in writing.
- 7.4. The contractual partners may use their business relationship for promotional purposes only with prior written consent.

8. Force Majeure

- 8.1. Force majeure, labour disputes, unrest, official measures and any other unforeseen grave circumstances beyond the control of the contractual

partners shall free the contractual partners for the duration of the disturbance and within the scale of its effect from their obligations. This also applies if these circumstances occur at a time when the contractual partner affected is in default. The contractual partners are obligated within reason to pass on the necessary information with all possible speed and to adjust their obligations to the altered circumstances in good faith.

9. Quality and Documentation

- 9.1. The Supplier must comply with the acknowledged technical regulations, safety regulations and the agreed technical data for his shipments. Any changes to the delivery item require the prior written approval of ALLTEC. For initial sample testing please refer to the most recent valid version of QS 9000. Independent hereof the Supplier must constantly check the quality of the delivery items. The contractual partners shall notify each other of the possibility for quality improvement. In addition the Quality Assurance Agreements (QAAs) must be observed and complied with.
- 9.2. If the nature and extent of the tests as well as test material and methods have not been precisely agreed between the Supplier and ALLTEC then ALLTEC, as requested by the Supplier, is prepared within the scope of its expertise, experience and facilities to discuss the tests with him in order to assess the relevant requisite status of the test technology. Furthermore, ALLTEC shall notify the Supplier should he so desire about the appropriate safety regulations.
- 9.3. Furthermore the Supplier must record in his quality records for all products when, how and by whom the fault-free production of the deliveries was ensured. These records must be archived for 15 years and made available to ALLTEC as required. The supplier is entitled to furnish proof for shortening the duration of storage if he is able to exclude threat to life and health when using the products. The supplier must procure similar obligation from pre-suppliers within legal possibility. For guidance please refer to the most recent, valid version of QS9000.

10. Liability

- 10.1. In the case of faults in goods shipped ALLTEC is entitled to the following claims:
 - 10.1.1. If a fault is detected prior to commencement of production the Supplier shall be given the opportunity to inspect the goods delivered by him to ALLTEC and to sort out the faulty parts. The Supplier is obligated to reimburse ALLTEC an expense contribution for the complaint. ALLTEC reserves the right in specific cases to claim the actual costs incurred. If the Supplier fails to follow up ALLTEC's request within 24 hours of receiving it then ALLTEC is entitled to undertake the inspection and sorting out of faulty parts itself at the Suppliers' expense or to have this carried out by a third party or to terminate the agreement without any further notification.
 - 10.1.2. Faulty goods must be rectified or replaced with new goods as requested by ALLTEC. In urgent cases ALLTEC is entitled to rectify the faults itself or have them rectified by a third party at the Supplier's expense.
 - 10.1.3. The assertion of any warranty claims over and above this, in particular compensation claims, is not excluded. .
 - 10.1.4. In the event that a fault is detected after commencement of production then ALLTEC is entitled to demand either redress, replacement delivery or a reduction in the purchase price, as it may choose. The Supplier must bear any customers duties, transport costs ensuing from redress or replacement delivery as well as any assembly or disassembly costs, especially in the event of failures and damages the ensuing consequential losses.
 - 10.1.5. If redress or replacement delivery fails then irrespective of any further claims ALLTEC is entitled to terminate the agreement. This also applies for the parts of a complete shipment that show no cause for complaint.
 - 10.1.6. In the event of any breach of the agreement over and above shipment of faulty goods then any claims made by ALLTEC shall comply with statutory legislation.
 - 10.1.7. If the Supplier does not take the faulty goods back despite being requested to do so by ALLTEC then ALLTEC is entitled to dispose of the goods at the Supplier's expense.
 - 10.1.8. Warranty claims come under the statute of limitations once 24 months have elapsed from the date of shipment to ALLTEC. The statutory period of limitation is preserved by the written fault notification by ALLTEC.

11. Further Liability

Insofar as these Terms and Conditions do not otherwise specify any other liability regulation Supplier is only then obligated to redress the damage that indirectly or directly ensues to ALLTEC as the result of faulty shipment , as the result of infringing official safety regulations or on other legal grounds attributable to Supplier.

- 11.1. In the event of ALLTEC being deemed irrevocably liable, although not self-induced, for deliveries made by the Supplier or in which the Supplier has participated, then the Supplier is required to made due recompense as per a relationship inter se.

- 11.2. Supplier is also liable for costs incurred in implementing measures to prevent damage (e.g. recall actions) insofar as these are required as the result of faulty performance on the part of Supplier.
- 11.3. ALLTEC shall inform and consult Supplier immediately and comprehensively insofar as ALLTEC wishes to invoke the prevailing ruling. ALLTEC must allow Supplier the opportunity to examine the claim. The contractual partners shall agree on the measures to be taken particularly in the case of composition negotiations.

12. Intellectual Property Rights

- 12.1. Supplier is liable for claims that ensue from infringement of intellectual property rights and intellectual property right applications (Intellectual Property rights) as the result of utilizing the delivery items in conformity with the agreement, whereby at least one constituent of the Intellectual Property family has been published in the Supplier's own country, by the European Patent Authority or in the Federal Republic of Germany, France, Great Britain, Austria or the USA.
- 12.2. Supplier releases ALLTEC and its customers from all claims ensuing from the utilization of such industrial property rights.
- 12.3. This does not apply insofar as Supplier produces the delivery items according to drawings, models or other similar descriptions or information made available to him by ALLTEC and does not know or in connection with the products developed him is not required to know that as a result industrial property rights will be infringed.
- 12.4. Insofar as Supplier is not liable under Section 12.3, ALLTEC releases him from claims by third parties.
- 12.5. The contractual partners are obligated to notify each other immediately of any infringement risks and any purported infringement cases known to them and to give each other the opportunity to mutually countervail all corresponding claims.
- 12.6. As requested by ALLTEC Supplier shall inform him of the use of any published and unpublished own and licensed intellectual property rights and intellectual property right registrations in connection with the delivery

13. General Conditions

- 13.1. If either party to the Agreement suspends payment or if bankruptcy proceedings relating to his assets or extra-judicial composition proceedings are filed then the other party is entitled to terminate the undischarged portion of the Agreement.
- 13.2. Any provision of these Terms and Conditions and any further agreements reached which is declared void shall be deemed severable and shall not affect the other provisions of these Terms and Conditions, which shall continue unaffected. The contractual parties are obligated to replace the invalid or void term by an economically comparable valid legal stipulations
- 13.3. This Agreement is governed exclusively by the laws of the Federal Republic of Germany insofar as no other provision has been made.
- 13.4. Application of the United Nations Convention on Contracts for the international Sale of Goods (CISG) of 11 April 1980 is excluded.
- 13.5. Place of execution for deliveries and services is Selmsdorf or .any other alternative delivery address provided by ALLTEC.
- 13.6. Place of jurisdiction is Schwerin. ALLTEC is however entitled to bring action against Supplier at his usual place of jurisdiction