TROX® TECHNIK
The art of handling air

CONDITIONS OF PURCHASE

STATUS FEBRUARY 2011

§ 1 Generalities – Scope

(1) Our orders shall be subject solely to our Conditions of Purchase as described below; we shall not acknowledge conditions of the Supplier which are contrary to or differ from our Conditions of Purchase, unless we have expressly agreed to their validity in writing. Our Conditions of Purchase shall also apply in the event of our unconditional acceptance of deliveries from the Supplier, in the knowledge that the Supplier's conditions are contrary to or differ from our Conditions of Purchase.

(2) All agreements drawn up between ourselves and the Supplier with the aim of executing this Contract shall be set out in writing in this Contract.

(3) Our Conditions of Purchase apply only with respect to professional traders/contractors, legal persons under public law and separate public assets (§ 310 Paragraph 1 of the German Civil Code).

(4) The currently applicable version of our Conditions of Purchase shall also apply to all future business with the Supplier.

§ 2 Quotation - Quotation Documents

(1) The Supplier is under obligation to accept our order within a period of one week.

(2) We reserve the rights of ownership and copyright in respect of diagrams, drawings, design calculations and other documentation; these shall not be made accessible to third parties without our express consent in writing. Such documentation shall be used exclusively for the purpose of effecting our order; on completion of the order it shall be returned to us without our having to make a request to this effect and should be destroyed in any form. Documentation shall be kept secret from third parties; the provision of § 9 Para.(4) shall also apply in this respect.

§ 3 Prices - Terms of Payment

(1) The price set out in the order is binding.

(2) The value-added tax has to be declared separately.

(3) Unless exceptions are specified in writing, a single copy of the invoice shall be sent separately for each of our orders following delivery to the address named in our

order.

(4) We can only process invoices when these state the Order Number as contained in our order. The Supplier shall bear responsibility for all consequences arising from non-compliance with this obligation, unless he is able to prove that he is not responsible.

(5) Unless otherwise agreed in writing, we shall pay the purchase price within the following time limit after delivery and receipt of the invoice, at our discretion

- 10 dayswith 3% discount, or
- 30 dayswith 2% discount, or
- 60 daysnet.

(6) We shall be entitled to exercise rights of set off and retention, under the terms of the law.

§ 4 Delivery, Delays

(1) The delivery time stated in the order is binding and shall be regarded as a fixed deadline.

(2) Part deliveries and multiple deliveries on the part of the Supplier are only permissible with our prior written consent.

(3) The Supplier is obliged to advise us in writing immediately in the event that circumstances occur or can be anticipated by the Supplier, these being such that the required delivery time cannot be met.

(4) We shall be entitled to exercise legal claims in the event of delayed delivery. In particular, following the fruitless expiry of a reasonable period, we shall be entitled to demand damages instead of execution of the delivery, and termination of the Contract. In the event that we make a claim for damages, the Supplier shall be entitled to prove to us that he is not responsible for the failure to comply with the terms of the Contract, or that the damages that occurred as a result of the delayed delivery are lower than claimed.

§ 5 Passing of the Risk – Documents

(1) The risk of accidental loss, destruction or deterioration of the goods ordered from you passes to us only upon the transfer of the purchased item at the place of delivery agreed in the Contract, in accordance with § 446 Clause 1 of the German Civil Code.

(2) Unless otherwise agreed in writing, deliveries shall be free domicile.

(3) The Supplier undertakes to state our Order Number exactly on all transit documents and delivery notes; if he neglects to do so, we shall not be held responsible for delays in processing at our end.

§ 6 Inspection for Defects - Liability for Defects

(1) We are under obligation to inspect the goods for eventual deficiencies in terms of quality and quantity within a reasonable period of time; notification of defects must be effected within a time limit of five working days, commencing from the receipt of the goods or - in the event of hidden defects - from the discovery of such defects.

(2) We exercise the unabridged legal right to make claims based on defects; at any event we shall be entitled to demand that the Supplier eliminates the defect or supplies a new item, which choice shall be at our discretion. We reserve the express right to make claims for damages, in particular claims for damages in place of redelivery/remedial measures.

(3) In the event of a delay in risk or of particular urgency, we shall be entitled to eliminate defects ourselves, at the cost of the Supplier.

(4) The period of limitation shall be five years.

§ 7 Product Liability - Indemnity - Third Party Liability Insurance Protection

(1) Insofar as the Supplier is responsible for a damaged product, he shall be obliged to indemnify us against claims for damages from third parties upon our first request, inasmuch as the cause of the damage lies within the scope of his control and organization, and he himself is liable vis-à-vis third parties.

(2) The Supplier’s liability for damages within the meaning of Para. also obliges him to reimburse any expenses in accordance with §§ 683, 670 of the German Civil Code and §§ 830, 840, 426 of the German Civil Code, insofar as such expenses are incurred as a result of or in connection with a recall action that we have initiated. We shall inform the Supplier - where possible and reasonable - with regard to the content and scope of recall measures to be implemented, and provide him with the opportunity to submit his own opinion. Other statutory rights shall remain unaffected.

(3) The Supplier undertakes to maintain product liability insurance with an insured lump sum of € 10 million per bodily injury/damage to property; this shall not affect any further claims for damages to which we may be entitled.

§ 8 Industrial Property Rights

(1) The Supplier guarantees that the rights of third parties within the Federal Republic of Germany shall in no way be infringed in connection with his delivery.

(2) In the event of a third party making claims against us in this respect, the Supplier shall be obliged to indemnify us against such claims upon our first written request.

(3) The Supplier’s indemnity obligation relates to all expenses incurred by us of necessity as a result of or in connection with claims made by a third party.

(4) The period of limitation shall be ten years, commencing from the conclusion of the Contract.

§ 9 Reservation of Title - Provision of Materials - Tools - Secrecy

(1) Insofar as we provide the Supplier with parts or models, we shall reserve our title to the same. The Supplier shall process or transform them for us. In the event that our conditional goods are processed with other objects that do not belong to us, we shall acquire co-ownership of the new item in the proportion of the value of our item (purchase price plus VAT) to other processed objects at the time that our item was processed.

(2) In the event that the item that we have provided is inseparably mixed with other objects that do not belong to us, we shall acquire co-ownership of the new item in the proportion of the value of our item (purchase price plus VAT) to other mixed objects at the time that our item was mixed. If the goods are mixed in such a manner that the Supplier's item is regarded as the main item, the parties hereby agree that the Supplier shall transfer proportionate co-ownership to us; the Supplier shall hold the sole ownership or co-ownership on our behalf.

(3) We reserve our title to tools; the Supplier is under obligation to use the tools solely for the manufacture of the goods that we have ordered and to mark them clearly as belonging to us. The Supplier is obliged to handle parts, tools and models belonging to us with care and skill, and to insure them at his own cost for their replacement value against fire, water and theft. At the same time, the Supplier hereby assigns to us all claims for compensation arising from this insurance; we hereby accept this assignment. The Supplier is under obligation to perform any necessary service and inspection work on our tools, as well as all repair and maintenance work on the same, in good time and at his own cost. He shall inform us with regard to any defects immediately; if he is negligent in this duty, claims for damages shall remain unaffected.

(4) The Supplier undertakes to maintain strict secrecy with regard to all diagrams, drawings, design calculations and other documentation and information that he has received. Such documents may only be made available to third parties with our express consent. The duty to observe secrecy shall continue to be upheld after the termination of this Contract; it ceases when and inasmuch as the manufacturing knowledge contained in the diagrams, drawings, design calculations and other documents left in the care of the Supplier becomes common knowledge.

(5) Should the security rights accorded to us under the terms of Paragraph (1) and/or Paragraph (2) exceed the purchase price of all our conditional goods not yet paid for by more than 10 %, we shall be obliged, at the Supplier's request, to release these security rights.

§ 10 Covenant Not to Assign

The assignment or sale by the Supplier of receivables or claims arising from this Contract shall require our prior written consent.

§ 11 Health and Safety Equipment

(1) All technical work materials, such as tools, production equipment, machines and prime movers, transportation equipment, hoisting and conveying devices which you deliver to us shall correspond to the current, known state of the art and shall comply with Health & Safety and Accident Prevention Regulations; they shall be provided with all the necessary health and safety features that are required by law or commonly provided to prevent accidents and occupational illness.

(2) The provisions of the German Machine Safety Law and the recommendations of the Verband Elektrotechnik, Elektronik und Informationstechnik e. V. (VDE), Frankfurt on Main, must be complied with.

§ 12 Noise Emitted by the Ordered Objects

(1) The noise emitted by the ordered system/machine shall be kept as low as technically possible and shall not include any distinct, audible sounds.

(2) Distinct, audible sounds are governed by the definition VDE 0530, § 54 g, of the Verband Elektrotechnik, Elektronik und Informationstechnik e. V. (VDE), Frankfurt on Main in its current version.

(3) In no event shall the average sound pressure level exceed the DIN standards currently in force at the time that we placed the order.

§ 13 Workforce of the Supplier

(1) Members of the Supplier’s workforce who are working at our premises shall observe our company rules and shall comply with our in-house regulations. The Supplier shall be liable for accidents occurring to members of his workforce, unless caused by us intentionally or through gross negligence.

(2) The billing of the number of hours shall only be acknowledged when derived from daily reports that bear our signature.

§ 14 Force Majeure

In the event of force majeure, particularly strikes, lockouts or other considerable disruptions at our company, we shall be entitled - under consideration of the Supplier’s interests - to withdraw wholly or in part from the Contract without compensation, or to postpone the acceptance of the delivery or performance for a reasonable period of time.

§ 15 References

The Supplier may only invoke our recommendation or refer to our status as his customer with our prior written consent.

§ 16 Place of Jurisdiction - Place of Performance - Applicable Law

(1) The place of jurisdiction shall be Düsseldorf, insofar as the Supplier is a trader; however, we shall also be entitled to bring an action against the Supplier at the court of his place of residence.

(2) Insofar as nothing further arises from the order, our registered office shall be the place of performance.

(3) All legal relationships between the parties and eventual legal disputes arising from this order or its execution shall be governed solely by the Law of the Federal Republic of Germany. The application of the United Nations Convention of 11th April 1980 on Contracts for the International Sale of Goods (CISG) is hereby excluded.

§ 17 Partial Invalidity

(1) The content of this Contract shall be governed by statutory provisions, insofar as the terms of these Conditions of Purchase are not invalid or have not become part of the Contract.

(2) The Contract shall be deemed invalid if compliance with the same - even after observing the amendment provided for in Paragraph (1) - constitutes unreasonable hardship for one of the contracting parties.