

1. Applicability

- 1.1 Subject to deviating individual contractual stipulations, these purchasing conditions (in the following "PCs") apply for all contracts for deliveries and services (in the following "delivery") which a company of the German PALL-group enters into as a customer (in the following "Purchaser").
- 1.2 Deviating or additional conditions of the respective contractual party (in the following "Vendor") are not binding upon Purchaser. If he did not explicitly agree to them in writing.
- 1.3 These PCs will also apply to further contracts of Purchaser with Vendor even if not explicitly referred to.

2. Offer and Contract conclusion

- 2.1 Offers of Vendor have to be made free of charge and have to explicitly refer to any possible deviations made from the original inquiry of Purchaser.
- 2.2 Acceptance of offers, orders and agreements are valid only if made in writing or if confirmed in writing by Purchaser.
- 2.3 Acceptance of offers and orders are to be confirmed by Vendor in writing within 1 week indicating the delivery date, the price, the order data of Purchaser and the article number. If the order did not indicate a fixed price, Purchaser is obligated only if he does not object to the price specified by Vendor in the confirmation within 10 days after receipt of the confirmation.
- 2.4 Purchaser is entitled to rescind the contract if circumstances that were not yet recognizable when the contract was concluded, justify a commendable interest in the rescission. E.g., such circumstances are constituted by substantial operational disturbances, labour disputes or difficulties of supply which are not only temporary; rescission can be declared up to but no later than 14 days prior to the agreed date of delivery.

3. Documents, Statutory and Safety obligations

- 3.1 Calculations, plans, drawings and other documents, which are handed over to Vendor by Purchaser in the context of contract preparation or later, remain property of Purchaser who reserves all trademark rights to them. They are to be treated confidentially, may not be passed on to third parties and are to be returned to Purchaser upon request including all copies or duplications.
- 3.2 Forms, models, tools, lithographies, plates, drawings or construction plans, etc. which were produced for the execution of the order by Vendor, become the property of Purchaser by payment of the order, even if they remain in the possession of Vendor. Vendor keeps those items for Purchaser and must return those items to Purchaser on demand. Use for or passing on to third parties is not permitted. Operating or manufacturing instructions, security data sheets, etc. belong to the owed scope of delivery. The Vendor shall provide the Purchaser in writing with such information as is necessary, relating to any such materials supplied and/or used and its design testing and use relating to any conditions necessary to ensure it will be safe and without risk to health when properly handled, stored, transported and used.
- 3.3 The Vendor shall comply with all relevant statutes, laws, regulations, and by-laws and EEC Directives affecting the performance of the order (including the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) latest edition) and good engineering practice, and when appropriate shall comply with the safety regulations of the Purchaser.
- 3.4 All equipment, fittings, and accessories which may not have been specifically mentioned but which are necessary for the efficient working of the items to be supplied, shall be deemed to have been included in the price. All such items shall be complete whether such details are mentioned in the Order or not.
- 3.5 The goods supplied shall be new and shall not have been used previously.
- 3.6 The Purchaser is at all times relying on the knowledge and skill of the Vendor. To that extent, the Vendor warrants that the quantity, quality and description of the goods and the services shall, subject as provided in these conditions of purchase, be as specified in the Order of the Purchaser and/or in any applicable Specification supplied by the Purchaser to the Vendor or agreed in writing by the Purchaser. The goods and services shall comply with all relevant legislation and any applicable German and European standards.

4. Delivery conditions

- 4.1 The dates and terms of delivery specified in the order are binding upon Vendor. Vendor has to immediately inform Purchaser about delays in delivery as they become discernible and their reasons and has to indicate a definite day of delivery that can be kept.
- 4.2 The unconditional acceptance of delayed deliveries does not constitute a waiver for claims to damages caused by the delay. Purchaser may concretely account for this damage or subject to deviating regulations in the order

documentation - claim a lump sum compensation of 0.3 % of the delivery value for each calendar day, at the most, however, 10 % of the delivery value. Vendor reserves the right to prove a smaller damage.

- 4.3 Vendor has to attach a delivery note to each delivery which indicates Purchaser's order data and the article number. On the day of delivery Vendor has to send by fax to the point where Purchaser's order was issued a dispatch note which contains the data of the delivery note.
- 4.4 The Vendor may appoint subcontractors only when he has obtained Purchaser's prior written consent.
- 4.5 The Vendor shall supply at his own expense certificates of analysis, tests, and certificates of origin as are required by the Order of the Purchaser in connection with the goods or services, or required by law. Such information shall be delivered no later than the work to which they relate and shall be addressed for the attention of the Purchasing Department. Invoices will not be passed for payment unless they are supplied as requested. Strict compliance with the foregoing will facilitate prompt settlement of account.

5. Prices, Invoice, Payment

- 5.1 Prices include the cost of packing as well as their return to Vendor and delivery to the ship-to address indicated by Purchaser. Value added tax is to be shown separately.
- 5.2 Prices quoted by Vendor are fixed prices for 12 months from the date of its offer. Intermediate price reductions or improvements of conditions generally introduced by Vendor are applicable to the benefit of Purchaser upon their introduction by Vendor.
- 5.3 Invoices have to show order data, the order number and the article number and have to be sent in duplicate. They must be mailed immediately and separately from delivery.
- 5.4 Payment will be made within 20 days after receipt of the faultless, proper delivery and receipt of the invoice with a 3 % discount or within 45 days after this date with no deduction.
- 5.5 The Purchaser is entitled to payment by cheque. To claim the discount, it is sufficient to send off the cheque within the period described in 5.4.
- 5.6 If Purchaser has to make prepayments Vendor is obliged, at his cost, to furnish an irrevocable, unlimited and unconditional absolute bank guaranty upon first request in the amount of the prepayment for the time period up until the maturity of his payment claim.
- 5.7 Payments are made under the reservation that the invoices remain subject to verification and the delivered goods subject to inspection; payments do not constitute an acknowledgment of conditions or prices. Vendor is not entitled to assign his contractual claims. Purchaser can set off all his claims against those of Vendor. Purchaser's legal right of retention cannot be restricted.

6. Passing of risk and Warranty

- 6.1 Vendor carries the risk of coincidental perdition or deterioration until acceptance of the delivery at the place of the ship-to address of delivery. The receipt of the delivery does neither constitute permission of the delivery nor acceptance. Acceptance has to be effected explicitly and in writing by Purchaser.
- 6.2 Purchaser is obliged to investigate the delivery only within an appropriate period which is at least 14 days. If this investigation reveals anything conspicuous, Purchaser is entitled to appropriate further investigations at Vendor's expense. Notices of defect are in each case in time if they are raised by Purchaser within 5 working days counting from their discovery.
- 6.3 The legal warranty periods apply which are at least 2 years counting from delivery. With respect to defects of which Vendor was notified within the warranty period, claims of Purchaser are barred by the statute of limitations 6 months after issuance of the notice of defect at the earliest. For deliveries made in substitute delivered articles, an independent warranty period within the meaning of sentence one starts with their delivery.
- 6.4 Purchaser is entitled to the legal warranty claims, in particular for removal of the defect or alternatively faultless new delivery, provided that all costs resulting thereof are borne by Vendor. In cases of urgency and of unwarranted denial of correction of defects, the Purchaser is authorized to remedy the defect by himself at Vendor's expense.
- 6.5 Claims of Purchaser to a reduction of the purchase price or the payment of damages remain reserved. Claims for damages include all costs which are incurred by Purchaser for the negotiation or fulfillment of warranty claims of his customers.

7. Termination

The Purchaser shall be entitled to terminate his order: - in case of institution of insolvency or bankruptcy proceedings against the Vendor's assets or rejection of a respective application due to lack of funds or

- if the Vendor is in default with his performance and on the basis of facts for the Purchaser is evident that the provision of compensation of the Vendor is at risk and the Vendor within a specified period of time neither has fulfilled the performance nor has provided security for it.

8. Retention of title

- 8.1 Purchaser accepts a possible simple retention of title of Vendor; a prolonged or extended retention of title is excluded.
- 8.2 A retention of title expires with the beginning of processing work according to §§ 946 f of the German Civil Code (BGB) or upon resale of the object being subject to retention of title.
- 8.3 All parts and tools made available by Purchaser to Vendor remain property of Purchaser and are not to be used beyond the scope of the relevant contract. They are to be comprehensively insured at the original value by Vendor at his costs and are to be returned to Purchaser after fulfillment of the contract. The provisions of §§ 946 ff BGB apply with the condition that if an object of Vendor is to be deemed the main object, a transfer of the proportionate co-ownership to Purchaser is agreed upon. If Vendor acquires title by processing, then he transfers title to Purchaser in advance. A Vendor's right of retention against Purchaser's claims for delivery is excluded.

9. Product liability

- 9.1 To the extent Purchaser is responsible for product damages, Vendor is obliged to hold the Purchaser harmless of third party claims to damages upon first request insofar as the cause of the damage was set under his control or in his organisation sphere and he is liable himself in his external relationships. Within this frame, Vendor also has to reimburse Purchaser the costs of a call back insofar as he - with the exception of cases of urgency - was informed appropriately in advance and was given an opportunity for a statement.
- 9.2 Vendor commits to hold product liability insurance with a minimum coverage (insurance) sum of € 2,500,000 (lump sum).

10. Third party rights and Confidentiality

- 10.1 Vendor guarantees that no third party rights are being infringed in connection with his delivery. He holds Purchaser harmless of any and all third party claims that might arise from the violation of such rights upon first request. This applies to claims resulting from amicable settlements only if Vendor consented to the settlement or denied approval without justified grounds.
- 10.2 If the Purchaser discloses or grants to the Vendor access to any research, development, technical, economic, or other business information or know-how of a confidential nature, whether reduced to writing or not, the Vendor will not use or disclose any such information to any other person or company at any time, without the prior written consent of the Purchaser. In addition the Vendor shall comply with the confidentiality declaration he had agreed upon with the Purchaser.
- 10.3 All of Purchaser's, the Purchaser's customers' or other suppliers' research, development, technical, manufacturing, economic or other business information or know-how of a confidential nature shall at all times remain the Purchaser's, the Purchaser's customers' or other suppliers' property. Unless otherwise agreed to in writing, the Vendor shall not be entitled to use such information to develop or apply for any intellectual property rights, whether rights to patents, designs, trade secrets, copyrights, databases, know-how or otherwise, registered or unregistered, including applications or forms of protection equivalent or similar in effect to any of such rights anywhere in the world.

11. Spare parts

- 11.1 The Vendor of technical products is obliged to hold spare parts on call for 10 years.

12. Applicable law, Jurisdiction and Venue, Final provisions

- 12.1 German law applies. Place of performance of delivery is the ship-to address specified by Purchaser. Venue is at Purchaser's company headquarters.
- 12.2 If a provision of these PCs should be ineffective or impracticable or become so, then this does not affect the effectiveness of the other provisions of these PCs.