

GENERAL PURCHASING CONDITIONS

Datwyler Division Sealing Solutions

Datwyler Switzerland Inc.

Militärstrasse 7

CH-6467 Schattdorf

(hereinafter referred to as 'Datwyler')

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1. General

- 1.1 Datwyler's Purchasing Conditions shall be exclusively valid. Datwyler shall not recognize any contrary or divergent conditions on the part of the contractual partner, or shall only do so subject to explicit written agreement. Datwyler's Purchasing Conditions shall still apply if Datwyler accepts the contractual partner's delivery without reservations in awareness of contrary or divergent conditions on the part of the contractual partner.
- 1.2 The written form is required for agreements between Datwyler and the contractual partner which are made with regard to the conclusion and performance of contracts made with Datwyler. Datwyler's Purchasing Conditions shall also apply to all future business transactions with the contractual partner.

2. Conclusion of contract and subject of contract

- 2.1 Datwyler shall be entitled to withdraw from the purchase orders before receipt of the order confirmation from the contractual partner with no cost consequences.
- 2.2 The contractual partner undertakes to submit his order confirmation to Datwyler within three working days from placement of the purchase order. Sundays are not deemed to be working days.
- 2.3 The contractual partner is obliged to notify Datwyler explicitly in any case where his order confirmation diverges from Datwyler's purchase orders/orders.
- 2.4 As part of an agreed planning system for purchase orders and call-offs, the delivery call-off by Datwyler shall be binding on the contractual partner unless the latter protests within two working days of receipt of the delivery call-off. Sundays are not deemed to be working days.
- 2.5 In addition to the Purchasing Conditions, order information from Datwyler (i.e. all product and delivery specifications) are contractual components. This refers to all information to which Datwyler refers in connection with the purchase order or which is contained in the documents appended to the purchase order (in particular performance specifications, technical documentation, etc.).
- 2.6 Forwarding of the whole order or parts thereof to third parties/subcontractors is only permitted with Datwyler's written consent.

2.7 In cases of contravention, Datwyler may withdraw from the contract without prejudice to its statutory rights.

3. Contractual documents and means of production

3.1 Documents and means of production of all types which Datwyler makes available to the contractual partner in connection with the purchase order/commission, or which are manufactured or procured by the contractual partner on behalf of and at the expense of Datwyler, such as illustrations, calculations, drawings, drafts, manufacturing instructions, models, samples, prototypes, supplied materials and parts, tools, etc., shall remain or become the property of Datwyler insofar as no third-party property rights prevent this. Any protected rights to the aforementioned documents and means of production shall be reserved for Datwyler, insofar as no third-party rights prevent this. Production documentation and equipment to which Datwyler has rights of ownership or copyright utilization rights must neither be used, reproduced, passed on, sold, pledged or made accessible to third parties, except for agreed or contractual purposes. In particular, said items must not be used to manufacture products for third parties. The information which is disclosed verbally or in writing to the contractual partner by Datwyler shall be treated as confidential by the contractual partner.

3.2 The processing or reforming by the contractual partner of the materials made available by Datwyler pursuant to clause 3.1 shall be undertaken for Datwyler. If the contractual partner processes, inseparably mixes or connects the materials pursuant to clause 3.1 with other objects which do not belong to Datwyler, Datwyler shall acquire co-ownership of the new object in accordance with the proportion of the value of the object made available (purchase price plus value added tax) to that of the other processed, mixed or connected objects at the time of processing/reformation. If the mixing or connection takes place in such a manner that the contractual partner's property should be regarded as the main element, the contractual partner shall transfer co-ownership to Datwyler on a proportionate basis.

3.3 The contractual partner shall store Datwyler's materials separately as Datwyler's property in a correct and orderly manner prior to processing. The documents and means of production must be identified on each item as being Datwyler's property. The contractual partner also undertakes to place Datwyler's co-owned property in appropriate safekeeping.

3.4 The contractual partner is obliged to insure tools belonging to Datwyler (and the materials and parts made available) at their value when new, at his own expense, against fire, water and theft losses. The contractual partner shall assign all compensation claims arising from this insurance to Datwyler. Datwyler hereby accepts such assignment.

3.5 The contractual partner undertakes to carry out the necessary servicing and inspection work together with all maintenance and repair work on Datwyler's tools promptly and at his own expense. The contractual partner shall notify Datwyler

immediately of any incidents. In case of culpable omission, the contractual partner shall be liable for all resultant loss and damage incurred by Datwyler.

- 3.6 The contractual partner shall keep confidentiality regarding all production documents and, at Datwyler's special request, specified means of production. These must only be disclosed to third parties with explicit agreement from Datwyler. The confidentiality obligation is valid beyond the performance of the contract and shall lapse when the knowledge contained has become generally known.
- 3.7 If Datwyler does not place the order or when the order is completed, the contractual partner shall, at Datwyler's request, return the production documents and means of production belonging to Datwyler, semifinished and finished products (including those rejected by Datwyler as faulty) to Datwyler in perfect condition, without any retaining copies, single parts, etc., or shall destroy or modify them so that they can no longer be used to manufacture the contractual products. The contractual partner shall furnish proof of such destruction/modification at Datwyler's request. The contractual partner shall have no right of retention over the products due to Datwyler pursuant to clause 3 nor over any rights to the products.
- 3.8 If the contractual partner culpably violates one of the duties stipulated in clause 3, the contractual partner must pay Datwyler appropriate compensation in proportion to the gross value of the order affected by the violation of such duty. Datwyler explicitly reserves the right to assert higher damages incurred in individual cases.
- 3.9 The contractual partner is only permitted to mention or cite Datwyler as a reference in any marketing materials with the explicit written agreement of Datwyler.

4. Prices and conditions of payment

- 4.1 The price stated by Datwyler in the purchase order is understood to exclude value added tax/sales tax and is binding. The price is understood to include packaging. Value added tax is always reported separately by the two parties. Price increase reservations require the explicit written agreement of Datwyler. The prices are applicable 'DDP' (Incoterms in the valid version) unless agreed otherwise in writing.
- 4.2 Datwyler shall process the invoices within the stated periods if they show the order number stated in the purchase order. The contractual partner is responsible for all consequences of failure to comply with this obligation, subject to proof by the contractual partner that he is not to blame. The contractual partner shall submit a certificate of origin or a corresponding declaration for goods not manufactured in Switzerland together with the invoice, at the latest.

4.3 Unless agreed otherwise, Datwyler shall pay as follows, according to its own choice: within 30 days of receipt of invoice, with 3% discount, or within 90 days, strictly net. If the goods only arrive after the invoice, the date of receipt of goods is deemed to be the date of receipt of the invoice. According to its own choice, Datwyler shall pay by transfer to banking or postal accounts or by sending collection-only checks. Punctuality of payment is governed by the postmark. Cash on delivery and similar methods, and the costs thereof, shall not be accepted by Datwyler.

5. Offsetting and assignment

5.1 Offsetting of Datwyler's claims arising from the business relationship is only permitted if the contractual partner can offset against a legally determined claim or a claim which has been explicitly recognized by Datwyler. The foregoing also applies to the assertion of retention rights.

5.2. Assignments of claims are only permitted with written agreement from Datwyler.

6. Ownership of contractual products

6.1 The contractual partner shall transfer ownership of the products manufactured according to Datwyler's production documents or with the help of Datwyler's means of production to Datwyler at the time of manufacture. Clause 3.1 shall apply as appropriate.

6.2 Retention of ownership by the contractual partner is excluded for other deliveries.

7. Delivery and packaging

7.1 Partial deliveries by the contractual partner are basically prohibited, subject to explicit agreement from Datwyler.

7.2 The dates and periods stated in the purchase order are binding on the contractual partner. The ordered deliveries and services must be received or performed at the intended location on the stipulated date.

7.3 If the contractual partner recognizes that he will be prevented from performing the contract on deadline with the specified quality, he must inform Datwyler immediately in writing. The contractual partner must compensate for losses incurred due to delayed notification or omission of notification.

7.4 The statutory provisions shall apply in respect of the qualifying conditions and legal consequences of defaulted delivery and/or performance. After an appropriate grace period has elapsed, Datwyler is entitled to withdraw from the contract or to request compensation for damages in lieu of performance. If Datwyler requests compensation for damages, it is incumbent upon the supplier to prove that he is not responsible for the violation of his obligation.

7.5 Datwyler may still withdraw from the contract in whole or in part if the contractual partner is not responsible for exceeding the delivery deadline.

7.6 The contractual partner undertakes to use packaging which conforms to the relevant environmental and disposal regulations. Datwyler reserves the right to return the packaging. Datwyler is only obliged to return it if a special written agreement exists.

8. Transport and transfer of risk

8.1 Deliveries are made and services are provided DDP Datwyler's Factory (Incoterms in the current version). Datwyler shall designate the factory on the purchase order. If, in exceptional cases, Datwyler bears the costs of transport, the contractual partner undertakes to commission the forwarder designated by Datwyler. If Datwyler fails to issue an instruction, the contractual partner must as a general rule select the most economical means of dispatch. Datwyler shall only refund higher costs if they are attributable to Datwyler's explicitly stated packaging and dispatch regulations.

8.2 A delivery note stating Datwyler's order number must be enclosed with every delivery. The delivery note must also include information on the gross and net weight. In case of partial deliveries, the remaining quantity for subsequent delivery must be stated. The dispatch and delivery documents and other documents relating to the purchase order/orders must show Datwyler's order number which was included in the purchase orders/orders. If the contractual partner omits identification with the Datwyler order number, Datwyler shall not be responsible for delays in processing.

8.3 In a clearly visible manner, the contractual partner shall mark his delivery/objects delivered with the information according to the valid VDA guidelines, or at least with the following information: contractual partner including address, designation of delivered parts/products, Datwyler article numbers, quantity, delivery date, batch number.

9 Acceptance and warranty

9.1 If Datwyler is prevented from acceptance of the deliveries or services and from performing the associated obligations (such as the drawing up of the inspection and defect list) due to circumstances of force majeure or other events which Datwyler cannot foresee and for which Datwyler is not to blame, and which only occur after conclusion of the contract, or of which Datwyler is unaware when the contract is concluded without blame on its part, and due to subsequent strikes and lawful lockouts, Datwyler shall be released from such obligations for the period and in accordance with the scope of the effects of such circumstances. Datwyler shall inform the contractual partner that it is so prevented and shall state the reasons.

9.2 Datwyler is entitled to refuse acceptance of deliveries before the agreed delivery and acceptance dates. Goods delivered early may be sent back to the contractual partner at his expense and risk, or may be stored with third parties.

- 9.3 If the contractual partner violates the packaging or dispatch regulations, Datwyler may refuse to accept the contractual products without defaulting on acceptance.
- 9.4 The deliveries must conform to the statutory and official provisions applicable to their sale and use as valid at the time of delivery, in particular occupational safety, accident prevention and other safety regulations, the fire prevention regulations of the responsible area and the provisions concerning prevention of immissions and environmental damage as applicable at the set-up location (Datwyler expects environmental protection certificate ISO 14001), and to the recognized rules of engineering. The requirements of any quality assurance agreement concluded with Datwyler must be respected. Without the need for special reference on the purchase order, the safety equipment required according to the valid accident prevention regulations must also be delivered.
- 9.5 The warranty is based on the statutory provisions unless stipulated otherwise by these Purchasing Conditions.
- 9.6 Datwyler is entitled to raise complaints regarding defects as follows: for evident defects, within ten days of receipt of the delivery; for complex subassemblies, within twenty days of receipt of the delivery; and for concealed defects, within ten days of discovery.
- 9.7 The warranty period is thirty-six months calculated from the transfer of risk.
- 9.8 In addition to statutory warranty claims, Datwyler is entitled to return the defective delivery at the contractual partner's cost and risk and, as it chooses, to request replacement or reworking. The contractual partner shall bear the necessary expenses. Reworking or delivery of a replacement shall suspend the warranty period for the time between notification of the defect and acceptance. If it is at risk of default or in especially urgent cases, Datwyler may itself rectify the identified defects at the cost of the contractual partner without setting a grace period, or may have them rectified by third parties.
- 9.9 The contractual partner shall inform Datwyler about potential errors and potential or actual dangers which have affected his customers (or their customers) due to his deliveries or services.
10. Product liability and insurance
- 10.1 If a damaged or injured party asserts claims arising from product liability against Datwyler based on domestic or foreign law, the contractual partner is obliged to indemnify Datwyler in respect of the damage compensation claims when first requested to do so, provided that the cause is to be found in the contractual partner's sphere of control and organization, and that he himself is liable in the external relationship.

10.2 As part of his liability for cases of damage or loss as defined in clause 10.1, the contractual partner undertakes to reimburse all expenses pursuant to Art. 41 ff. and 419 ff. OR (Swiss Code of Obligations) which arise from or in connection with a recall action launched by Datwyler. Insofar as possible and reasonable, Datwyler shall inform the contractual partner about the content and scope of the recall measures to be undertaken, and shall give him the opportunity to comment.

10.3 The contractual partner undertakes to maintain a product liability insurance with a sum insured which is appropriate to the specific products and sectors. Datwyler explicitly points out that it acts primarily as a supplier to the automobile industry, and this is deemed to be already known to the contractual partner when he takes out insurance. Any further damage compensation claims due to Datwyler shall not be affected.

11. Commercial property rights

11.1 The contractual partner confirms that no rights of third parties in Switzerland or in Datwyler's export countries which are known to the contractual partner when the contract is concluded are violated in connection with his deliveries and services.

11.2 On first written request, the contractual partner undertakes to indemnify Datwyler in respect of claims which a third party asserts due to violation of rights. The obligation to indemnify also relates to all expenses which Datwyler necessarily incurs due to or in connection with claims asserted by a third party. The contractual partner shall assist Datwyler with court proceedings as necessary or shall, at Datwyler's request, enter into legal disputes at his own expense. Datwyler shall only conclude agreements, and in particular settlements, with third parties with the agreement of the contractual partner.

11.3 The statute-barred period is 15 years calculated from the conclusion of the contract.

12. Liability

12.1 Datwyler shall be liable for intent and gross negligence. In case of usual negligence, Datwyler shall only be liable in case of violation of an essential obligation of the contract. In this case, Datwyler's obligation to compensate is limited to the foreseeable damage which is typical of the contract.

12.2 The liability exclusion or restriction as per clause 12.1 shall also apply to the personal liability of the blue- and white-collar workers, staff, representatives and vicarious agents of Datwyler.

13. Confidentiality

The information communicated to Datwyler in connection with the purchase order is not deemed to be confidential, subject to a divergent written agreement.

14. Prevention of corruption

14.1 Datwyler does not tolerate any corruption. This is understood to mean all actions by a person which are intended to offer an advantage to a natural person or legal entity, in order to induce an action or omission which is contrary to obligations, and every offer and acceptance of such advantages.

14.2 If the contractual partner violates the above provision, Datwyler is entitled to cancel the contractual relationship at any time without notice and to demand compensation for damages. Claims for compensation for damages by the contractual partner are excluded in this case.

15. Place of performance

The place of performance for deliveries is the destination indicated by Datwyler or in the absence of a specific location, the headquarters of the Datwyler Division Sealing Solutions the Datwyler Switzerland Inc. in Schattdorf, Switzerland. The place of performance for our payments is the location specified by Datwyler, or in the absence of a specific location, the headquarters of the Datwyler Division Sealing Solutions the Datwyler Switzerland Inc. in Schattdorf, Switzerland.

16. Final provisions

16.1 The place of jurisdiction for all obligations arising from the contractual relationship is the registered office of Datwyler, or at Datwyler's choice also the registered office of the contractual partner. The agreement on the place of jurisdiction also applies to contractual partners with registered offices abroad.

16.2 In respect of all rights and obligations arising from the contractual relationship existing between Datwyler and the contractual partner and for all disputes in connection therewith, solely Swiss law shall apply to the exclusion of the UN Convention on the International Sale of Goods (CISG, dated 11.04.1980).

16.3 If a provision of these Conditions of Business or a provision in connection with other agreements should be or become ineffective, the effectiveness of all other provisions or agreements shall not be affected.