



GENERAL PURCHASE CONDITIONS

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1. GENERAL INFORMATION

These General Purchase Conditions apply inasmuch as not agreed otherwise between the buyer Industrial Brushes Manufacturerssp. z o.o. (hereinafter referred to as the "buyer") and the supplier, to all supplies and services ordered by the buyer and which are the result of the current business relationship. In the event of the supplier's General Terms of Business, being in contradiction to these Purchase Conditions, wholly or partly, the buyer's Purchase Conditions apply without this calling for a separate declaration. By executing the order, the supplier explicitly accepts the Purchase Conditions below. In the event of the supplier not being in agreement with these Purchase Conditions, he has to notify this in writing immediately to the buyer before executing the order. In this case, the buyer reserves the right to cancel the order. In this case, the supplier is not entitled to any claims.

2. SUPPLY CONTRACT/ORDER CONFIRMATION

Supply contracts and orders are only deemed to be binding provided they are placed by the buyer in writing or confirmed in writing. Unless agreed otherwise, orders placed or order amendments have to be confirmed in writing within two working days following the date of the order or have to be delivered within this period. If the buyer is not in receipt of an order confirmation, he reserves the right to cancel the contract/order without accepting any costs. A diverging acceptance of the order by the supplier calls for an explicit written notice. In this case, the contract/order only materialises subject to the buyer's written approval.

3. DELIVERIES

The goods supplied must be in accordance with the specifications set out by the contract/order. Every consignment has to be accompanied by complete documents/delivery-notes which also have to state the order number, date of the order, material number of the buyer for every item, quantity and unit price. Acceptance may be refused if, in view of the incompleteness of the accompanying documents/delivery-notes, allocation of the delivery to the buyer's order is not possible or only subject to disproportionate expense. Unless agreed otherwise, the goods to be supplied have to be packed in a normal and appropriate manner. The supplier is liable for damage caused by insufficient packing. A delivery advice is only required following a separate agreement.

4. DELIVERY DATE/EXCESS DELIVERIES

The supplier acknowledges the fact that delivery dates and quantities are of paramount importance. If the delivery covers larger quantities than stated by the order and/or delivery call and if the excess quantity supplied can be separated without any problem, the buyer is entitled to refuse the excess quantity and/or to return it to the supplier at the latter's expense. If separation of the excess quantity is not easily possible, the buyer is entitled to refuse the entire delivery and/or to return it at the supplier's expense.

Delivery dates are deemed to be fixed and are binding. The decisive factor concerning compliance with the delivery date or delivery period is receipt of the contractual goods at the place of destination or use named by the buyer. In the event of the supplier realising that an agreed date cannot be complied with for any reason whatsoever, he has to notify this to the buyer without delay, stating the reasons and period of delay in writing. If the agreed dates cannot be complied with due to a circumstance for which the supplier is responsible, the buyer is entitled, following expiry of a reasonable period of grace set by him, to claim damages due to non-fulfilment or to procure replacements from a third party or to cancel the contract. Acceptance of the overdue delivery/service does not constitute a waiver of compensation claims. In the case of delivery earlier than agreed, the buyer reserves the right to return the goods at the supplier's expense. If, in the case of premature delivery, the goods are not returned, they are stored at the buyer's premises until the delivery date, at the supplier's expense and risk. Part-deliveries are only accepted following explicit agreement. In the case of agreed part-deliveries, the remaining quantity has to be stated together with its delivery date.

5. TRANSFER OF RISK

The transfer of risk is a function of the agreed delivery status. If nothing has been agreed, the risk of accidental loss of the goods or accidental reduction of the value of the goods only reverts to the buyer on delivery of the goods at the agreed place of destination.

6. PRICING AND INVOICE

The agreed prices are fixed prices. Subsequent price increases are excluded. Value added tax has to be shown separately in the invoice. If the price has not been fixed when placing the order, it has to be notified to the buyer latest together with the order confirmation, Unless the buyer objects within five working days, the price is deemed to be accepted. If payment in advance has been agreed, the supplier has to provide a security in the form of a directly liable bank surety.

Invoices must not be sent together with the goods, for exceptions refer to paragraph 8, and have always to be sent in duplicate and, unless agreed otherwise, have to be despatched immediately following despatch of the goods, but latest by the third working day of the following month. Unless agreed otherwise, a total invoice has to be drawn up for every order, following complete delivery. The invoice has to include the following information:

- Buyer's order number and order date
- Buyer's material number
- Delivery quantity and unit per item
- Unit price and total price per item

Invoices are settled by the buyer after 30 days, net. The period begins to run from the date when the invoice as well as the goods reach the buyer or services have been performed. Payment is subject to an invoice check. Different terms of payment and cash discounts have to be agreed on separately. Invoices received which are not correct are only deemed to have been received as from the time when they have been corrected. The payment periods are extended accordingly. Payment effected is not a confirmation of compliance by the supplier with the contractual obligations. Unless agreed otherwise, the invoice currency is the national currency of the buyer.

7. PAYMENT SUBJECT TO RESERVE

All payments are effected subject to the reserve of warranty claims and, if applicable, compensation claims due to defects or lack of warranted properties only discovered at a later date. In the case of defects, the buyer is entitled to withhold payment, wholly or partly, pending making good of the defects, whereby the agreed cash discount periods apply as from making good of the defects.

8. CUSTOMS DUTIES AND ORIGIN

In the case of imported deliveries, the goods delivered have also to be accompanied by the invoice, in duplicate, for customs clearance purposes. Simplification of this procedure is only permissible following the buyer's prior written consent. In the case of deliveries subject to customs duty, the invoice also has to show the following separately:

- Assembly and freight costs included in the price
- Value of repair services according to materials and labour

Also in the case of deliveries free of charge, a value has to be stated together with "Only for customs purposes". The reason for nothing being payable has to be stated in the invoice or delivery-note (e.g. samples free of charge).

Inasmuch as official documents for the specific utilisation of the goods are required for importation or exportation, the supplier undertakes to make these documents available to the buyer immediately, at his own expense. The supplier is compelled to furnish proof of the origin of the goods to be delivered.

Changes of origin have to be notified to the buyer immediately in writing.

If the supplier delivers goods which are subject to preferential customs treatment in the importing country, the supplier has to provide relevant certificates of origin with this delivery. This certificate is required for every delivery.

The supplier is liable for all damage suffered by the buyer due to non-compliance with these conditions. The supplier has to assist the buyer in reducing customs charges. As regards all questions and instructions arising in connection with customs duties and proof of origin, the supplier has to get in touch with the buyer's competent Customs Department. Unless agreed otherwise, customs clearance is attended to by the buyer. If the supplier attends to customs clearance without the buyer's prior written consent, the costs thus incurred are for the supplier's account.

9. FORCE MAJEURE

In the event of the occurrence of a non-culpable delay, each party is entitled to suspend fulfilment of the supply contract. Every type of delay is deemed to be non-culpable which is due to force majeure, such as for example fire, floods, typhoons, war, prohibitions or orders by state authorities, earthquakes, restrictions, epidemics, unusual violent bad weather, delays due to similar natural reasons or reasons brought about by the State, as well as strikes, industrial conflicts etc.. This condition is without prejudice to the contractual parties' rights granted by other clauses of these Purchase Conditions. Furthermore, the buyer is entitled, for the duration of the fulfilment interruption as a result of non-culpable delays, to purchase the goods covered by the supply contract from other sources and to reduce the delivery quantities stated in the order and/or delivery calls, without any obligation vis-à-vis the supplier, if the latter was not in a position to effect delivery within an appropriate period of grace set to him. The setting of such a period of grace can be dispensed with if, due to the type of delay, it appears obvious that delivery within an appropriate period of grace will not be possible. Furthermore, following demand by the buyer, the supplier has to pass on all information concerning the delay as well as, if applicable, insurance and emergency plans. The supplier has to inform the buyer without delay of all industrial conflicts liable to delay delivery in good time.

10. PRODUCT LIABILITY

The supplier warrants the fact that no patents or other third parties' protection rights are infringed by the buyer as a result of the supplier's delivery and the use made of it. The supplier has to inform the buyer of all protection right infringements, also stating the country involved.

Unless liability is regulated differently by another clause of these Conditions, the supplier is only compelled in accordance with the stipulations below to indemnify the buyer for the damage suffered, directly or indirectly, as a result of a defective delivery due to an infringement of official safety regulations or any other legal grounds for which the supplier is responsible.

The indemnification obligation only applies in principle if the supplier has caused the damage due to negligence. In the event of a claim being asserted against the buyer by a customer or other third party based on product liability, the supplier is compelled to hold the buyer harmless and indemnified in respect of such claims, if and inasmuch as the damage has been caused by a defect in the product delivered by the supplier. In the case of liability as a function of a culpable act, however, this only applies if the supplier is guilty of negligence. Inasmuch as the cause of damage

lies in the supplier's sphere of responsibility, the onus of proof is on him. In this case, the supplier is liable for all costs and expenses, including the costs of prosecution or recall of the product. The statutory stipulations also apply.

Claims by the buyer are excluded inasmuch as the damage has been caused by non-compliance with operating, maintenance and installation instructions, unsuitable and inappropriate utilisation, faulty or negligent treatment, natural wear and tear or defective repairs by the buyer.

The supplier is liable for measures taken by the buyer to minimise the loss (e.g. recall action), inasmuch as compelled by the law.

If the buyer wants to assert a claim against the supplier in accordance with the above-mentioned stipulations, he has to inform and consult him without delay. He has to give the supplier an opportunity to investigate the claim-event. The contractual parties have to attempt to agree on the measures to be taken, particularly in the case of settlement negotiations.

The supplier undertakes to conform to the relevant statutory and official regulations and conditions when executing the contract, The delivery or service has to be in accordance with the safety, industrial protection, accident prevention regulations, with the relevant standards, DIN, VDE, CE and other regulations of the country concerned. The supplier has to provide the protection devices required by such regulations and which are included in the agreed price. If the supplier has misgivings concerning the type of execution demanded by the buyer, he has to notify them to him in writing.

11. ASSIGNMENT

The supplier is not authorised, without the buyer's explicit consent, to assign the obligations incumbent on him vis-à-vis the buyer to third parties. Unless explicitly approved by the buyer, the supplier is not authorised to assign claims under the supply contract to third parties.

12. CONFIDENTIALITY CLAUSE AND PROVISION OF MATERIALS

Documents of any kind made available by the buyer to the supplier, such as samples, drawings, models, data etc., as well as any other information made available by the buyer, inasmuch as not obviously intended for the public, may not be disclosed to third parties inasmuch as this is not required to fulfil the contract. Products manufactured according to documents drafted by the buyer, such as drawings, models etc., or based on confidential information or with the aid of the buyer's tools/reproduced tools, may not be used by the supplier himself or offered or supplied to third parties. This applies accordingly also to the buyer's printing orders. Materials of any kind provided by the buyer remain his property.

13. WARRANTY/PRODUCT DEFECTS

The supplier warrants, irrespective of fault, the use of the best appropriate materials, correct and appropriate execution, proper design, correct assembly, for power requirements, performance, degree of efficiency etc.. In the case of existing or future defects in the goods supplied due to the absence of these properties, the buyer is able, at his option, to withdraw from the contract, to reduce the price or to claim making good of the defects in the goods supplied at his expense, free delivered place of destination.. He is also entitled to indemnification of the loss suffered as a result of the defects, if the supplier is responsible for them. Unless agreed otherwise, the supplier's warranty and liability expire 24 months following final commissioning of the goods supplied or the object produced from the material supplied.

Concealed defects are disclosed at the time of utilisation of the goods. Compensation claims are asserted subsequently. Apparent defects are claimed in good time inasmuch as the claim reaches the supplier within a period of five working days following receipt of the goods. As far as other defects are concerned, the claim is asserted in good time if asserted immediately following discovery of the defect when using the goods or on the occasion of a functional test.

In urgent cases, the buyer is entitled, following agreement with the supplier, to perform the necessary repair work himself or to obtain replacements in a manner which appears suitable to the buyer, at the supplier's expense , or to pass it on to third parties.

In the case of goods supplied calling for assembly or operating instructions, this has to be submitted to the buyer in the language of the country concerned as well as in English, without special request, latest at the time of delivery of the goods, clearly stating the buyer's order references. Training does not replace assembly or operating instructions in writing.

The buyer has the option to accept goods ordered at the supplier's works. This can also be done by agents appointed by the buyer. This acceptance does not release the supplier from his warranty obligation. All goods supplied are carefully checked for strict compliance with the quality regulations and discrepancies are strictly rejected. The inspection of incoming goods at the buyer takes place as soon as possible as a function of the extent of his establishment or when the goods are in use. Inasmuch as goods delivered have to be rejected, wholly or partly, due to non-compliance with the specified conditions, the supplier has to make the goods available to the buyer for re-use, without entitlement to a consideration, until replacements have been obtained elsewhere.

14. SERVICES

Persons performing work at the site in compliance with the contract have to conform to the stipulations of the relevant internal regulations. The stipulations regarding entering and leaving the factory site have to be complied with. Liability for accidents suffered by these persons at the works site is excluded inasmuch as not caused by the buyer, his agents or his servants in a deliberate or grossly negligent manner. As regards losses due to injuries suffered by the

body or health, the buyer is also liable if these are the result of a slightly negligent obligation infringement on the part of a legal representative or servant of the buyer. In the event of employees of the supplier staying at the works site or at the buyer's offices, the supplier is liable for all culpable acts or omissions on the part of his personnel or representatives, and undertakes to hold the buyer harmless and indemnified in respect of all claims as a result of bodily injury and/or property damage caused by culpable acts or omissions on the part of the supplier's representatives. This procedure does not apply inasmuch as the above-mentioned claims are due to a culpable act on the part of the buyer.

15. PLACE OF PERFORMANCE/JURISDICTION

As regards all rights and obligations arising from the contract, the place of performance and jurisdiction for both contractual parties is based on the locality of the buyer's head-office. The contractual relationship is exclusively subject to Polish laws.