

General Conditions of Purchase

Fashy GmbH Produktion und Vertrieb Gummi-Kraus, Kornwestheimer Strasse 46, 70825 Korntal-Münchingen

1. General

All orders placed by Fashy GmbH are governed solely by the following General Conditions of Purchase. Any conflicting general terms and conditions of the Supplier are deemed not to be part of the contract, even if not expressly objected to by Fashy.

Confirmation or execution of our order shall be deemed to mean acceptance of these Conditions of Purchase.

If the goods supplied or services rendered are accepted by Fashy without an express objection, this shall not mean that the Supplier's terms of delivery or any other of his terms and conditions have been incorporated in the contract. Payment or compensation for visits or for the preparation of offers, projects, drawings, etc., shall not be made, even if no order is placed by Fashy. Any agreements to the contrary require the written form.

Only orders placed in writing and duly signed shall constitute a legally binding contract. All verbal subsidiary agreements or verbally placed orders, as well as amendments and supplements require our written confirmation to be effective. If the Supplier confirms our order later than two days after receipt or if the contents of the confirmation differs from the contents of our order, this is deemed to be a different offer requiring acceptance by Fashy in writing.

2. Delivery

All deliveries to Fashy shall be made carriage-free, customs-paid, including packaging, to the receiving point or place of use designated by us.

In the event that unfree delivery has been expressly agreed, Fashy shall choose the carrier.

In the bill of lading, the goods shall be declared in such a way so as to ensure that the lowest admissible freight charges can be applied in respect of the consignment. As part of the shipping procedure, the Supplier shall notify us as soon as the goods are ready for shipment. In this case, we shall take out transport insurance covering the consignment at our expense. No further insurance-related costs shall be absorbed by Fashy. Unless otherwise agreed, the stipulated price for the goods to be supplied shall apply, inclusive of all packaging materials. We are entitled to return to the Supplier, freight-free and at his expense, any bulky packaging, in particular, barrels, drums, boxes, etc., following unpacking, without liability for possible transport-induced or other wear and tear. We shall not accept any surplus or short deliveries. We shall return to the Supplier any surplus goods delivered at his expense and risk. In the case of short deliveries, we are entitled to reduce the invoiced amount proportionately to the value of the goods not supplied. Fashy shall not be obligated to accept part deliveries.

The delivery dates and times requested by Fashy are binding, the receipt of goods at the receiving point or place of use designated by us being decisive for the compliance with the specified delivery dates / times.

The Supplier shall immediately advise us in writing of any anticipated delivery delays, stating the reasons for such delays and the estimated length of the delay.

In the event of a default in delivery, we are entitled, upon expiration of a reasonable period of respite for performance or subsequent performance, to assert our rights pursuant to the statutory provisions. Such rights shall not be excluded, even in the case of our having unconditionally accepted any defaults in delivery in the past.

The risk of loss or destruction or deterioration of the goods/services shall be borne by the Supplier until the time of delivery at the receiving point or place of use designated by Fashy.

3. Pricing / Terms of Payment

The Supplier shall quote all prices and issue all invoices in Euro, showing any applicable taxes and additional charges separately.

Our order shall be placed subject to the proviso that the Supplier shall charge Fashy the lowest possible trade price and that any decrease in prices prior to the date of invoicing shall be passed on to Fashy. By accepting our order, the Supplier undertakes, as part of a most favoured customer status arrangement, to execute the respectively placed order at the lowest possible price and on the most favourable terms which the Supplier also grants his other customers. The same shall apply to any extensions in the time limits for claims and/or warranty periods.

Owing to our once-a-year only catalogue publications, price increases can only be considered as at 01.04. and 01.09 of any given year, provided that they are

announced three months prior to these dates respectively. All other price changes, even under any long-term supply agreements, shall be excluded.

The Supplier's claims for payment shall fall due not earlier than 30 days after due receipt of invoice, however, not before delivery has been made or services rendered have been accepted. The decisive date for the receipt of invoice shall be the date appearing in the incoming mail stamp.

Unless a higher cash discount rate has been agreed, we are entitled to deduct a 3% cash discount if we pay within 20 days from the receipt of invoice.

If statutory provisions dictate, the Supplier shall furnish to us prior to performance on his part a tax exemption certificate from the competent Tax Office, and notify us without delay should there be any changes with respect to his exemption status. Failure to comply shall entitle us to deduct 15% from the amount invoiced for transfer to the revenue authorities.

4. Warranty / Product Liability

The Supplier's warranty shall be in accordance with the statutory provisions, unless otherwise provided in the following paragraphs.

The Supplier guarantees that, at the time of delivery/acceptance, his goods or services will match the latest standards in scientific advances and technical development and that the relevant statutory provisions, ordinances and any other regulations, in particular, the safety and environmental regulations, have been adhered to with respect to the contract goods or services.

Furthermore, the Supplier guarantees that the goods are suitable for the intended use indicated and that they comply with the agreed specifications and any company-internal standards, as well as with the Supplier's or any third party's product descriptions and/or information given in advertising brochures. In this respect, the Supplier gives a warranty of quality, durability and fitness for a specified use within the meaning of § 443 of the German Civil Code pertaining to all goods supplied. The Supplier shall indemnify Fashy against liability for any claims arising out of non-compliance with this warranty. Should Fashy be sued for damages on account of a defect in our product, the Supplier shall indemnify us against any liability in this respect if the loss incurred by the third party is due to a defect in the goods supplied by the Supplier.

On request, the Supplier shall furnish proof to Fashy that both the risk of being sued for damages under a product liability claim and the risk of having to be indemnified against liability under the product liability provisions is covered by adequate insurance coverage.

Fashy does not accept any liability limitations on the part of the Supplier, particularly to the extent of wilful intent and gross negligence, in money terms or to damage typical for these types of contract.

For moveable property, the warranty period shall be extended to a minimum period of three years, notwithstanding any additional rights due to us pursuant to §§ 478/479 of the Civil Code.

5. Assignment

Without the express consent of Fashy, the Supplier is not entitled to assign any claims against us to any third party or to authorise any third party to collect from us. We shall give our consent in this respect should any such refusal be deemed to be contrary to the rule of good faith. In case the Supplier, in the ordinary course of business, should agree an extended reservation of proprietary rights with his suppliers, we hereby give our consent.

6. Place of Performance / Jurisdiction

The sole place of performance for all goods delivered or services rendered by the Supplier shall be our principal place of business. The sole place of performance for our payment obligations and any other obligations of Fashy shall be our principal place of business.

The sole place of jurisdiction for all disputes shall be our principal place of business. However, we reserve the right to resort to any other competent court of law.

These General Conditions of Purchase shall be governed by the laws of the Federal Republic of Germany, excluding the United Nations' International Trade Law and any subsequent amendments thereof.

7. Written Form

All changes and/or supplements to our orders and their underlying contractual agreements require the written form. This also applies to any changes to the written form stipulation itself.

August 2002

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Fashy GmbH
Produktion und Vertrieb Gummi-Kraus
Kornwestheimer Straße 46
D - 70822 Korntal-Münchingen

AG Ludwigsburg HRB 2822
USt-IdNr.: DE 146023570
ILN: 40 08339 00000 1
Steuer-Nr. 70074 / 17409

Telefon: 07150 / 9206-0
Fax: 07150 / 9206-51
Internet: www.fashy.de
E-Mail: info@fashy.de

Geschäftsführer: Volker Kraus, Wolfgang Kraus