

# CONDITIONS OF PURCHASE



1. In these conditions "The Buyers" shall mean REHAU Ltd. and "The Sellers" the sellers whose name appears overleaf. "The Goods" shall mean the goods described overleaf and "The Price" shall mean the total price payable by the Buyers for the Goods, including Value Added Tax. "The Contract" shall mean the contract between the Buyers and the Sellers consisting of the purchase order, these terms and conditions and any other documents (or part thereof) specified in the purchase order. Should there be any inconsistency between the documents comprising the Contract, they shall have precedence in the order herein listed.  
"Delivery Date" shall mean the date or dates as specified in the attached purchase order.  
"Delivery Address" shall mean the address stated on the purchase order.  
"Purchase Order" shall mean the Buyers' purchase order attached hereto.
2.
  - a) The Purchase Order constitutes an offer to purchase the Goods upon the terms of the Contract and any previous offer to sell the Goods made by the Seller is deemed to be an invitation to trade.
  - b) The offer will be deemed to be accepted by the Sellers upon the happening of any of the following events namely:
    - (i) delivery of the Goods to the Buyers or to the Delivery Address
    - (ii) the delivery by the Sellers to the Buyers of an acknowledgment of the Purchase Order
    - (iii) the submission by the Sellers to the Buyers of a delivery schedule.
  - c) No conditions submitted or referred to by the Sellers on accepting this offer or incorporated in the Sellers' catalogues or acceptance form or elsewhere shall form a part of the Contract unless otherwise agreed to in writing by the Buyers and to the extent that any conditions submitted or referred to by the Sellers would otherwise form part of the Contract then the same shall be deemed to be waived.
  - d) The Buyers shall not be liable for any variation, addition, amendment or alteration to the Contract which has not been confirmed by its duly authorised representative in writing.
  - e) The Buyers will not be liable for any orders for the purchase of Goods except for those contained in a Purchase Order signed by a duly authorised official for and on behalf of the Buyers.
  - f) The Purchase Order will lapse unless unconditionally accepted by the Sellers within seven days of its date.
3. Quality: All deliveries of Goods made under the Purchase Order must be of the quality specified or, if not specified, be of good quality and in accordance with the specification, drawing design and type ordered and if ordered by sample be in accordance with the sample. All Goods shall be fit and suitable for the purpose intended, of merchantable quality, of good materials and workmanship, and free from any defect of any nature whatsoever.
4. Quantity: The Sellers shall not deliver to the Buyers Goods in excess of the quantity of Goods ordered or to be released under the provisions of the Purchase Order without authority in writing being first obtained from the Buyers. If Goods in excess of the quantity ordered or to be released are delivered by the Sellers to the Buyers, the Buyers may refuse such delivery or if the Goods for any reason are delivered, may return the Goods at the expense and risk of the Sellers. The Buyers shall under no circumstances be liable for any damage caused to any such Goods or to pay for the same. If the Sellers shall produce Goods or acquire raw materials in excess of the release requirements given from time to time by the Buyers to the Sellers this shall be at the Sellers' own risk entirely and without any liability on the part of the Buyers under condition 16 hereof or otherwise.
5. Price: The Price for the Goods listed in the Purchase Order is fixed and is not subject to change without the agreement in writing of the Buyers. The Buyers shall not be responsible for the cost of packing or transportation costs unless the same has been agreed in writing by the Buyers.
6.
  - a) Where the Sellers fail to deliver or release the Goods (or any instalments thereof) in the quantity and on the Delivery Date specified in the Purchase Order or a release order issued in accordance with the Purchase Order, the Buyer shall have the option to:
    - (i) Notify the Seller in writing that the Buyer is no longer obliged to accept and pay for such goods; and/or
    - (ii) Purchase equivalent goods elsewhere; and/or
    - (iii) Terminate the entire Purchase Order.

Failure by the Buyer to exercise any of these options in respect of one instalment or release shall not constitute a waiver in respect of subsequent instalments or releases. Time of delivery shall be of the essence.
  - b) If the Goods are to be delivered by instalments, the Contract will be treated as a single contract and not severable. In the event that the Goods are not delivered to the Delivery address specified in the Purchase Order, the Sellers will be responsible for any additional costs and expenses incurred in delivering them to their correct destination.
  - c) Neither party hereto shall be liable for failure to perform the Contract if occasioned by act of God, war, riot or civil commotion, act of sabotage or subversive activity, fire, flooding, pestilence, explosion or other catastrophes, lockouts or labour disputes or stoppages of any kind or either cause beyond their control, and if the Sellers' failure to perform the Contract is due to any of the foregoing reasons, the Buyers may obtain the Goods elsewhere and the amount of the Goods comprised in the Purchase Order shall be reduced accordingly by the amount of the Goods purchased by the Buyers elsewhere during the period of such failure of supply by the Sellers.
7.
  - a) The Buyers shall be entitled to inspect all Goods delivered by the Sellers pursuant to this or any Contract and thereafter to elect whether to accept such Goods. Until the Buyers have elected to accept such Goods, the Goods shall be at the sole risk of the Sellers and the property thereto shall remain in the Sellers. Risk and property shall only pass to the Buyers upon the Buyers electing to accept the Goods. If the Buyers elect to reject the Goods, the Goods will be returned to the Sellers at the Sellers' expense. If no notification of rejection is received by the Sellers within four months of actual delivery of the Goods to the Buyers (delivery to a carrier not being deemed to be delivery to the Buyers), the Buyers shall be deemed to have accepted the Goods.
  - b) Subject as aforesaid, the Sellers shall make good, free of charge to the Buyers, any loss or damage resulting from any defects in the Goods and shall at the request of the Buyers promptly replace any defective Goods at their own cost.
  - c) In the event of the Sellers' failure to promptly replace any such defective Goods, the Buyers shall be entitled to purchase similar Goods from other sources in which event the Sellers shall indemnify the Buyers against any increased costs or other damage thereby incurred by the Buyers.
  - d) The making of any payment by the Buyers to the Sellers shall not prejudice the Buyers' right of rejection herein contained.
8. The Buyers will not accept liability for Purchase Orders or releases or be deemed to have given a Purchase Order or release authorisation unless issued on the Buyers' Purchase Order or release authorisation form. All Purchase Orders must be duly signed by or on behalf of the Buyers by an authorised officer of the Buyers and any variations must be so authorised.

9. All patterns supplied by the Buyers shall be returned by the Sellers to the Buyers on completion of the Purchase Order. The dies and/or moulds used by the Sellers in the manufacture of the Goods, the subject of the Purchase Order, (if any) become the Buyers' property and shall be retained by the Sellers in good condition for use only in the manufacture of Goods for the Buyers and are not to be used for any other purpose other than Purchase Orders placed by the Buyers. They shall be delivered to the Buyers on demand. If damaged or destroyed on the Sellers' premises, they shall be replaced or repaired at the Sellers' expense.
10. a) The Sellers warrant that Goods and parts of Goods not of the Buyers' design do not infringe any patent, trademark, registered design or any other like protection or the provisions of any statutory instruments or regulation for the time being in force in any country and agree to indemnify and hold harmless the Buyers against all judgments, decrees, costs and expenses resulting from any infringement and agree that the Sellers shall upon receipt of a request from the Buyers and at the Sellers' own expense defend or assist in the defence of any action which may be brought against the Buyers or those selling or using any of the Buyers' products by reason of any such infringement or alleged infringement.
- b) In no case will the Buyers be under any liability to the Sellers in respect of any actual or alleged infringement of patent or other rights of third parties in relation to the supplies specified herein, their manufacture or testing except to the extent, if any, that such infringement or alleged infringement occurs by reason of the Buyers' designs or manufacturing or testing methods specified by the Buyers.
11. a) The sellers represent and warrant to the Buyers as follows:  
(i) that the Goods are the free and unencumbered property of the Sellers and not subject to any claim or charge by or in favour of any third party  
(ii) the Goods upon delivery will be fit for the purpose for which they are purchased and of satisfactory quality (as defined in the Sale and Supply of Goods Act 1994) free from all defects in design, workmanship and material and will be strictly in accordance with all specifications, drawings and performance requirements forming part of the Purchase Order  
(iii) the Goods will conform to all regulations and requirements in relation to the sale of Goods and to health and safety and shall not violate directly or indirectly the provisions of any law regulation, rule or order applicable thereto.
- b) The Sellers shall indemnify and keep indemnified the Buyers from and against any and all losses, damages, costs, claims, proceedings, expenses or other liabilities whatsoever and howsoever incurred or paid by the Buyers in respect of  
(i) any breach of any warranty given by the Sellers in relation to the Goods  
(ii) personal injury or death of any person whomsoever or any damage to property real or personal (including without limitation any liability under the Consumer Protection Act 1987) arising out of or caused by the Goods including without limitation any claims by the customers of the Buyers or their sub-buyers arising out of any breach whatsoever by the Sellers of this Contract or any want of satisfactory quality or lack of fitness for purpose of the Goods or any of the Goods.
12. The Sellers shall not without the Buyers' prior consent in writing assign, transfer or make over this Purchase Order or make any sub-contract in respect thereof to any third party.
13. The Seller shall be obliged to treat this Purchase Order and all work in connection therewith as trade secret and strictly confidential.
14. The Sellers shall comply with and give all notices required by any statute, statutory instrument, rule or order or any regulation or bylaw applicable to the Goods including their packaging and delivery (the "Statutory Requirements") and shall pay all fees and charges in respect of the Goods legally recoverable from the Sellers. If the Sellers find any divergence between the Statutory Requirements and the Contract or between the Statutory Requirements and any instructions of the Buyers, the Sellers shall immediately give to the Buyers a written notice specifying the divergence.
15. The Seller is fully liable for compliance of its supplies with the Regulation (EC) No. 1907/2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (hereinafter "REACH-Regulation"). Namely, the Seller is liable that the substances contained in the products supplied by it have been preregistered and thereafter registered, if required under the REACH-Regulation, and that safety data sheets in accordance with the REACH-Regulation and the information as per article 32 of the REACH-Regulations shall be provided. To the extent the supplier is supplying articles as defined by article 3 of the REACH-Regulations, the Seller is namely liable for full compliance with its duty to provide information as per article 33 REACH-Regulation.
16. a) The Sellers shall be entitled to invoice the Buyers on or at any time after delivery of the Goods and each invoice shall quote the number of the Purchase Order.
- b) Unless otherwise stated in the Purchase Order, the Buyers shall pay the Price within 60 days after the end of the month of receipt by the Buyers of a proper invoice or, if later, acceptance of the Goods by the Buyers.
17. a) By accepting the order, the Sellers undertakes to disclose the precise country of origin of the goods and, for goods originating from the EU, to submit a long-term Sellers declaration for goods with preferential origin status. Where the delivery originates from a preferred country, the Sellers is obligated to create a valid preference document EUR.1 or a declaration of origin on the invoice. If the Sellers' declarations or preference documents prove to be false, the Seller undertakes to compensate for the resulting loss.
- b) At the request of REHAU, the Seller is obliged to inform REHAU, in writing and legally binding form in the related business documentation, about any applicable (re)export license requirements for the goods under National, European or US export control law and customs regulations as well as under the export control law and customs regulations of the country of origin of the goods. This includes the Seller providing REHAU with the following information:  
- the export list number according to annex AL of the German export administration regulations or equivalent list items of applicable national export lists,  
- for US goods the ECCN (Export Control Classification Number) as per the US Export Administration Regulations (EAR),  
- the commercial origin of his goods and of the components of his Goods (as per the customs code), including technology and software,  
- whether the goods were transported through the U.S.A., were manufactured or stored in the U.S.A. or made using US technology,  
- the statistical goods number (HS code, customs tariff number) of his goods, and  
- a contact in his organization to answer any questions about technical details and export control.
- At our request, the Seller is obliged to provide us with any other foreign trade data relating to his goods and their components, in writing, and to inform us of all changes of such data, in writing, without delay (and in any case before delivery of any goods affected by such).
18. a) The Buyers may at any time in their absolute discretion terminate the Contract in whole or in part by notice in writing and upon such termination the Sellers shall cease all further work under the Contract and terminate all Purchase Orders directly relating thereto. The Buyers shall pay to the Sellers the Price (if unpaid) under the Purchase Order for all work actually completed and the reasonable cost of all works actually incurred by the Sellers in carrying out the Purchase Order to the date of such termination provided such costs are directly attributable thereto. This clause is not applicable if the Contract is terminated under any other provision herein contained and no claim under this clause shall be entertained after the expiration of two months from the date of such termination. The Buyers' liability under the terms of this clause shall be limited to the total amount due under the Purchase Order less all amounts paid and shall in no circumstances exceed this sum.
- b) The Sellers shall be entitled to terminate the Contract upon the happening of any of the following events:  
(i) the Buyers suffering an execution to be levied on their goods  
(ii) the Buyers having a receiver, an administrative receiver or administrator appointed or going into liquidation whether voluntary or compulsory.
- c) All rights, obligations or liabilities pursuant to the Contract arising prior to the termination of the Contract shall survive the termination of the Contract.
19. The remedies hereby reserved shall be in addition to and not in substitution for any other remedies at law and in equity and no waiver of any breach of any terms shall constitute a waiver or any other breach of any other term of the Contract and in particular notwithstanding the foregoing all conditions or warranties implied by law shall apply to the Contract.

20. a) If any provision of the Contract is declared by any judicial or other competent authority to be void, voidable, illegal or otherwise unenforceable or indications to that effect are received by either of the parties from any competent authority, the parties shall amend the intentions of the parties without illegality or at its discretion of the Buyers it may be severed from the Contract and the remaining conditions of the Contract shall remain in full force and effect unless the Buyers in the Buyers' discretion decide that the effect of such declaration is to defeat the original intentions of the parties in which event the Buyers shall be entitled to terminate the Contract by five days' notice.
- b) Both the Buyers and the Sellers acknowledge that the Contract contains the whole agreement between the parties and that they have not relied upon any oral or written representations made to them by the other or its employees or agents and have made their own independent investigations into all matters relevant to it.
- c) The Contract supersedes any prior agreement or contract between the parties whether written or oral and any such prior agreements or contracts are cancelled without prejudice to any rights which may have accrued thereunder to either of the parties hereto.
- d) The failure or delay by the Buyers in enforcing the strict performance of any provision of the Contract will not constitute a waiver of such a provision or of any other right or provision or obligation herein contained.
21. The Contract shall be construed in accordance with and governed in every respect by the laws of England and all actions arising out of or connected with the Contract shall be brought in the courts of England.