

General Purchasing Terms and Conditions of WIESAUPLAST Kunststoff und Formenbau [Plastics and Mold Making] GmbH & Co. KG and Wiesauplast de México S.A. de C.V

1. Contractual Conclusion

- 1.1 WIESAUPLAST Kunststoff und Formenbau GmbH & Co. KG and Wiesauplast de México S.A. de C.V. (hereafter, "WIP") makes orders exclusively based upon its General Purchasing Terms and Conditions. Other terms and conditions shall not become contractual content even if WIP does not expressly reject them. If WIP accepts the delivery/performance without making express objection, it should in no way be inferred that WIP accepts the Delivery Terms and Conditions of the Supplier. When an offer is submitted, the Supplier must declare its agreement with the General Purchasing Terms and Conditions of WIP. If such an express declaration fails to be rendered, then the execution of the order shall always be considered as an acknowledgment of the General Purchasing Terms and Conditions of WIP. These General Purchasing Terms and Conditions shall also apply for all future contractual relationships with the Supplier.
- 1.2 If the Supplier submits an offer based upon an inquiry of WIP, then it must precisely adhere to the inquiry of WIP and, in the event of deviations, make express reference to them.
- 1.3 If the Supplier does not accept the order in writing within 10 working days after its receipt, WIP shall be entitled to make revocation.
- 1.4 Only orders made in writing are legally binding. Orders made orally or by telephone must be subsequently confirmed in writing to be legally valid. The same shall apply for oral ancillary agreements and amendments of the agreement. Performances rendered or deliveries made without a written order shall not be recognized. Orders, delivery call-offs as well as their amendments and supplements may – upon prior written agreement – also be made via long-distance data transmission or through machine-readable data carriers. In the event of an informal business deal, the order shall be considered to be a commercial document of confirmation.
- 1.5 Remuneration shall not be provided for visits or the preparatory work required for offers, projects, etc., provided that compensation has not been expressly agreed upon between the parties or there is a legal claim to it.
- 1.6 In the event that WIP, through the presentation of a transmission report, can document that it has sent a declaration per fax or long-distance data transmission, then it shall be assumed that the Supplier has received this declaration.
- 1.7 The Supplier must maintain secrecy regarding the contractual conclusion and may only then make reference to its business dealings with WIP in promotional materials if WIP has provided its approval in writing.
- 1.8 The Contractual Partners shall be obliged to treat as business secrets all business or technical details which have not been disclosed which they become aware of through the business relationship. Subsuppliers shall be correspondingly obligated.
- 1.9 WIP may demand changes to the delivery product even after the contractual conclusion if this is reasonable for the Supplier. With respect to this contractual amendment,

the ramifications for both parties, particularly with respect to the additional or decreased costs as well as the delivery timeframes, must be appropriately taken into consideration.

- 1.10 The Supplier may award orders to subcontractors/ subsuppliers, in whole or in part, only with the written declaration of agreement of WIP.
- 1.11 Production resources (moulds, tools, machines), which are produced by the Supplier or procured from third parties upon the account of WIP shall immediately become the property of WIP upon their production or when possession is taken. Production resources which are made available to the Supplier by WIP in the course of commissioned production shall remain the exclusive property of WIP. WIP shall be entitled to demand its return at any time. The Supplier shall have no right of retention. The Supplier shall be obliged to label the products as the "property of Wiesauplast". Labels already affixed may not be removed. The production resources may be used exclusively for the orders of WIP. The Supplier shall be obliged to render repair and maintenance work upon such production resources. The Supplier shall be liable for all damages created by these production resources and must appropriately insure them at its own expense against damage and theft, at least at replacement value.

2. Prices, Shipping, Packaging

- 2.1 The agreed-upon prices are fixed prices and exclude subsequent claims of all types. The costs for the packaging and transport to the shipping address or utilization site designated by WIP as well as for customs formalities and customs are included in these prices. In the absence of a deviating written agreement, the price for rail shipments shall include delivery "free Wiesau railway station", for all remaining shipments, "free Wiesau factory", including packaging. If a price has been agreed upon between the parties as "ex works", "ex warehouse" or the like, the captive freight agent prescribed by WIP must be commissioned to do this. All costs incurred up to the point in time that transfer is made to the carrier, including loading and cartage, must be assumed by the Supplier. If no prices are stated on the order, the current list prices of the Supplier with the deductions customary for the industry shall apply. The agreement regarding the place of performance shall not be affected by the type of pricing.
- 2.2 Delivery notes, freight letters, invoices and all correspondence must contain the WIP order number. Offers must be marked with the inquiry number.
- 2.3 WIP shall accept only the quantities or unit numbers ordered. Delivery overages or underages are permitted only if agreements are reached in advance with WIP.
- 2.4 The shipment shall be made at the risk of the Supplier. The Supplier shall continue to assume the risk of any type of deterioration, including accidental destruction, until delivery is made to the shipping address or utilization site requested by WIP.

2.5 The obligation upon the part of the Supplier to take back the packaging shall apply in accordance with the statutory provisions. The goods must be packaged in such a way that transport damage is avoided. Packaging materials must only be used in the scope required for the fulfillment of this purpose. Only environmentally-friendly packaging materials may be used. If, as an exception, WIP is separately billed for packaging, then WIP shall be entitled to send back the packaging that is in good condition to the Supplier freight-free against compensation of 2/3 of the value specified on the invoice.

3. Invoicing and Payment

- 3.1 To the extent that agreement is required, invoices must be separately submitted with all relevant documents and data after delivery has been made. Until a proper invoice has been submitted, WIP shall be entitled to reject the performance rendered. Prevailing for the payment are the actual quantities, weights or other details underlying the delivery as well as the agreed-upon prices.
- 3.2 Payment shall be made in a manner which is customary for the industry. Provided that nothing to the contrary has been agreed upon in writing between the parties, WIP shall pay the purchase price within 14 days, calculated from the time delivery is made and the invoice is received, with a 3 % discount or within 30 days net. The payment shall be considered as having been made in a timely manner if a wire transfer order has been issued on the last day of the payment timeframe.
- 3.3 Provided that certificates for materials inspections are agreed upon between the parties, they shall form an essential component of the delivery and must be sent to WIP together with the delivery. However, they must be received by WIP no later than 5 days after WIP receives the invoice. The payment timeframe shall not begin before the receipt of the agreed-upon certificate.
- 3.4 The settlement of an invoice shall not be considered to be a waiver of the right to make notification of defects regarding the invoiced goods. In the event of a defective delivery, WIP shall be entitled to withhold the payment upon a proportional value basis until proper fulfillment is made.
- 3.5 In the event of prepayments, the Supplier must provide appropriate security in the form of a bank guarantee from a recognized major German bank.
- 3.6 In the event that WIP should enter into payment default, the Supplier may only then declare its rescission from the agreement after the setting of a notice period warning of the intention to reject the execution of the delivery.

4. Delivery Timeframes, Delivery Default, Force Majeure

- 4.1 The agreed-upon delivery timeframes are binding; the Supplier shall enter into delivery default through the failure to meet a fixed delivery deadline without the submission of a warning letter being required. In the event of a duty to deliver, the receipt of the goods at the receiving station or utilization site designated by WIP shall be prevailing for the adherence to the delivery deadline or delivery timeframe. If delivery acceptance is required, the Supplier shall enter into default without the submission of a warning letter being required if it has not

rendered the performance by the agreed-upon deadline in such a manner that the delivery acceptance cannot be rejected (§ 640 Para. 1 Clause 2 BGB [Civil Code]).

- 4.2 If the Supplier recognizes that an agreed-upon deadline cannot be adhered to for any reasons, then it must immediately make written notification of this to WIP while stating the reasons for this delay and the anticipated duration of the delay.
- 4.3 If the Supplier enters into default through the failure to meet a delivery deadline, then WIP shall be entitled to demand a contractual penalty of 0.1% of the order amount per working day, but nevertheless at most 10% of the order amount. WIP still reserves the right to assess the contractual penalty until the invoice has been paid. The contractual penalty is to be offset against the default damages compensation claim. The contractual penalty is merely the minimum value of the damage compensation.
- 4.4 The Supplier may only invoke the failure upon the part of WIP to supply required documents if it has requested these documents in writing and has not received them within an appropriate time period.
- 4.5 Force majeure shall release the contractual partners from their obligations to provide performance for the duration of the disruption and in the scope of its validity. To the extent that it is reasonable, the Contractual Partners are obliged to immediately provide the required information and to modify their obligations to the changed circumstances in good faith. WIP shall be released from its obligation to accept the delivery/performance ordered, in whole or in part, and in this respect, shall be entitled to withdraw from the agreement if the delivery/performance is no longer able to be utilized by WIP due to the delay caused by force majeure – while taking into account financial considerations.
- 4.6 If delivery is made earlier than has been agreed upon between the parties, WIP reserves the right to send back the delivery at the expense of the Supplier. If, in the event of premature delivery, no return delivery takes place, then the goods shall be stored at WIP until the agreed-upon delivery date at the expense and risk of the Supplier. In the event of premature delivery, WIP reserves the right to only then make payment on the agreed-upon due date.
- 4.7 WIP shall accept partial deliveries only upon express agreement. In the event that partial deliveries are agreed upon between the parties, the remaining quantity outstanding must be specified.

5. Liability

The Supplier shall be liable for any form of contractual violations in accordance with the statutory directives, provided that nothing to the contrary has been agreed upon between the parties in these business terms and conditions.

6. Liability for Material Defects

- 6.1 The agreed-upon specifications are a component of the order and may be changed only by mutual agreement. Specifications shall be considered to be any binding description of the delivery scope or a drawing. Deviations from the specifications shall always be considered to be material contractual violations unless WIP can

alter the product itself in such a way that a condition is attained that adheres to the specifications with only insignificant expenditures.

- 6.2 With respect to its deliveries/performances and also the deliveries or ancillary performances of third parties, the Supplier shall be obliged to utilize environmentally-friendly products and processes to the extent that this is possible while taking into consideration financial and technical considerations. The Supplier shall be liable for the environmental compatibility of the products and packaging materials supplied as well as for all consequential damages which are caused through the violation of its statutory obligations to carry out waste disposal. Upon the request of WIP, the Supplier shall issue a quality certificate for the goods supplied.
- 6.3 WIP shall immediately make written notification to the Supplier of any obvious defects of the delivery/performance as soon as they are discovered in proper business operations, but nonetheless no later than 10 working days after the receipt of the delivery by WIP.
- 6.4 WIP shall be obliged to inspect the incoming goods for damage in transport within 10 working days after delivery is made.
- 6.5 Included among the agreed-upon quality features of an object or a work product are also features which WIP, due to public statements of the seller, the supplier, the manufacturer (§ 4 Paras. 1 and 2 of the Product Liability Act) or its vicarious agent, particularly in advertising or the designation of certain features, may expect unless they conflict with the agreed-upon features. This shall not apply if the Contractual Partner was not aware of the statement or would not have had to have been aware that it was likewise amended at the time of the contractual conclusion or that it could not influence the decision to buy.
- 6.6 WIP shall be fundamentally entitled to select the manner subsequent performance, even for an agreement for work or services, unless the Contractual Partner has a right to reject the subsequent performance or WIP selects a subsequent performance option which is unreasonable for the Supplier.
- 6.7 Due to a defect of the product supplied or the work product created, WIP may itself eliminate the defect after the fruitless lapsing of a notice period designated for the subsequent performance and demand compensation for the required expenditures if the Supplier does not justifiably reject the subsequent performance. In this regard, the statutory provisions for undertaking rectification oneself for an agreement for work or services (§ 637 BGB) shall apply accordingly for the purchase agreement. Notwithstanding the statutory provisions, WIP may in urgent cases, particularly for the warding off of the acute risk of substantial damages, itself eliminate the defect at the expense of the Supplier, even without the provision of a notice period for the subsequent performance.
- 6.8 The warranty period shall amount to 24 (written out: twenty-four) months, provided that nothing to the contrary has been expressly agreed upon between the parties. It shall begin to run with the surrender of the delivery object to WIP or the third party designated by WIP at the receiving station or utilization site designated by WIP. If delivery acceptance deadlines have been agreed upon between the parties, the guarantee and warranty period shall begin to run with the successful acceptance of the delivery. If the delivery acceptance is delayed through no fault of the Supplier, the warranty period shall begin to run no later than 12 (written out: twelve) months after the provision of the delivery object for delivery acceptance.
- 6.9 If a defect is discovered within the first 12 months (guarantee period) of the warranty period, then it shall be assumed that this defect already existed at the time that risk was transferred unless this assumption is not able to be reconciled with the type of product or defect.
- 6.10 For delivered parts which could not remain in operation during the examination of the defect and/or the elimination of the defect, the running guarantee or warranty period shall be extended by the duration of time of the operational disruption.
- 6.11 For repaired or newly supplied parts, the guarantee or warranty period shall begin at this point in time – beyond the statutory suspension period.
- 6.12 Claims which already exist at the beginning of the warranty period or are created during the warranty period shall become statute-barred in accordance with the statute of limitations timeframes. The statute of limitations shall begin to run when the claim is created.
- 6.13 In the event of legal defects, the Supplier shall indemnify WIP from any existing third-party claims. With respect to legal defects, the statute of limitations shall be three years. This statute of limitations period shall begin at the end of the year in which the claim was created and WIP becomes aware of the circumstances substantiating the claim and the identity of the debtor or would have had to have become aware thereof in the absence of gross negligence, without taking into consideration the knowledge or grossly negligent lack of knowledge in the ten years before their creation.
- 6.14 If WIP, as the result of a defectiveness of the object or work product supplied by the Supplier, has to take back the object or work product supplied by the Supplier, accept a reduction in the purchase price or compensation or pay its own customers damage compensation or reimbursement of expenditures, no other notice period is required for the rights specified in § 437 BGB vis-à-vis the Contractual Partner. The aforementioned guarantee period shall begin in these cases with the transfer of risk to the customer of WIP. The statute of limitations for the aforementioned claims shall become effective no earlier than two months after the point in time in which WIP has fulfilled the claims. This suspension of the expiration of the statute of limitations shall end no later than five years after the point in time in which the Contractual Partner has delivered the object or the work product to WIP.
- 6.15 If, due to the violation of governmental safety provisions or domestic or foreign product liability provisions or laws, legal claims are asserted against WIP due to a defectiveness of the product which is attributable to the goods of the Supplier, then WIP shall be entitled to demand damage compensation from the Supplier to the extent that the damages were caused by the products it has supplied. These damages also include the costs of any required recall action. To the extent that a flaw is dis-

covered due to a part supplied by the Supplier, it shall be assumed that the flaw was created exclusively in the sphere of responsibility of the Supplier.

- 6.16 The Supplier must carry out quality assurance which is suitable in type and scope and corresponds to the current state of technology and provide documentation of this to WIP upon request. Provided that WIP considers this to be required, the Supplier shall conclude a corresponding quality assurance agreement with WIP. The quality management guidelines of WIP shall become a component of the agreement.
- 6.17 The Supplier shall insure itself against all risks involving product liability, including the risk of recall, in an appropriate scope and, upon request, present the insurance policy to WIP for its review.

7. Guarantee

- 7.1 The Supplier shall guarantee and ensure that all deliveries/performances correspond to the current state of technology, the relevant legal provisions and the directives and guidelines of governmental authorities, professional associations and trade associations. If, in the individual case, deviations from these directives are required, then the Supplier must obtain written approval for this. The warranty obligation of the Supplier shall not be restricted by this approval. If the Supplier has objections to the type of performance desired by WIP, then the Supplier must immediately notify WIP of this in writing.
- 7.2 The Supplier shall guarantee and ensure that all deliveries are free from the proprietary rights of third parties and particularly that, through the delivery and use of the delivery products, patents, licenses or other proprietary rights of third parties are not violated within Germany*. To the extent that the Supplier is aware that its products are being distributed by WIP in certain countries, the aforementioned shall also apply for these countries.

8. Replacement Part Supplying

- 8.1 The Supplier shall be obliged to supply WIP with all replacement parts for the time period of the average working life of the supplied product.
- 8.2 The price for a replacement part may not be higher than the price for a corresponding part on the free market.
- 8.3 If replacement part production is discontinued after the expiration of the time period specified in Sub-clause 8.1, then the Supplier shall be obliged to return any design documents/drawings to WIP upon request against appropriate compensation and to use these documents exclusively for its own use for the production of replacement parts. WIP shall be obliged to make these documents accessible to no third parties.

9. Heavy Metal Ban

- 9.1 The Supplier shall be obliged to supply WIP only with such products which correspond to the EU directive 2000/S3/EG of September 18, 2000 subject to the taking into consideration of the ruling of the European Commission of June 27, 2002 (2002/525/EG).
- 9.2 If the Supplier supplies products in which materials are processed which fall under the aforementioned EU

directive, the Supplier shall be obliged to expressly notify WIP of these materials.

10. Obligation to Notify

- 10.1 If the Supplier offers a product which WIP has already procured from it, then it must, notwithstanding any more substantial obligations to make notification, make reference to changes without this having to be requested if the specifications have changed in comparison with an earlier product supplied under the same name.
- 10.2 In accordance with § 4 Para. 1 of the Device and Product Safety Act, the Supplier must provide WIP with the information which is of significance for an assessment of the endangerment of safety and the health of users of the product or third parties. In so doing, particularly the features of the product must be taken into consideration, including its composition, packaging, the instructions for its assembly, the installation, maintenance and useful life, its effects upon other products to the extent that its use is to be expected with other products, its provision, presentation in trade, labeling, warning notices, usage and servicing instructions and details for its removal as well as all other product-related data or information and the group of users which are subject to greater danger than others in the use of the product.

11. Proprietary Rights

- 11.1 The Supplier shall indemnify WIP and customers of WIP from third-party claims originating from any violations of proprietary rights and assume all costs which WIP incurs in conjunction with them.
- 11.2 While taking into consideration the obligation to exercise the due care of a prudent businessman, WIP shall be entitled to obtain the approval for the use of the affected delivery products and services from the entitled party at the expense of the Supplier.

12. Extraordinary Right of Rescission

If insolvency proceedings are opened regarding the assets of the Supplier, WIP shall be entitled to declare its rescission from the agreement within a period of 12 months after the opening of insolvency proceedings.

13. Foreign Business Dealings

If the Supplier has its branch office abroad, the following shall apply upon a supplementary basis:

- 13.1 For the relationship between the Supplier and WIP, German law shall apply exclusively subject to the exclusion of the Act Regarding the International Purchase of Movable Goods (CISG).
- 13.2 The contractual language is German. If, in addition, the Contractual Partners avail themselves of another language, the German wording shall take precedence.

14. Final Provisions

- 14.1 If, in the event that individual sections of these General Purchasing Terms and Conditions should be legally invalid, the validity of the remaining provisions shall not be restricted by this.
- 14.2 Without the prior written approval of WIP, the Supplier shall not be entitled to subsequently award the order or essential portions thereof to third parties.
- 14.3 Without the prior written approval of WIP, which may

not be unreasonably withheld, the Supplier shall not be entitled to assign its claims against WIP.

14.4 WIP shall handle personal data of the Supplier in accordance with the German Federal Data Protection Act.

14.5 If something to the contrary has not been expressly agreed upon between the parties, the place of performance for the delivery obligation shall be the shipping address or utilization site specified by WIP; for all remaining obligations of both parties, Wiesau.

14.6 With respect to all disputes arising from the contractual relationship if the Supplier is a commercial business, a juridical person under public law or a special fund under public law, the legal action must be asserted in the court that is competent for the headquarters of WIP. WIP shall also be entitled to take legal action against the Supplier in any other permissible legal venue.

Status as of: February 2005