

General Terms & Conditions of Purchase (T&Cs (Purchase)) of LAVATEC Laundry Technologie GmbH

I. General Provisions, Scope of Application

(1) The current version at any given time of these General Terms and Conditions of Purchase (T&Cs (Purchase)) shall apply in respect of all the business relationships of LAVATEC Laundry Technologie GmbH with our suppliers (hereinafter referred to as the "Supplier(s)"). The T&Cs (Purchase) shall only apply where the Supplier is an entrepreneur within the meaning of Section 14 of the BGB (*Bundesgesetzbuch* – German Civil Code), acting in a professional commercial or self-employed capacity, or is a legal person under public law or a special fund under public law.

(2) All deliveries, services and offers by our Suppliers shall be made exclusively on the basis of these General Terms and Conditions of Purchase, which shall form an integral part of all contracts concluded by us with our Suppliers in respect of the deliveries or services provided by the latter. They shall also apply to all future deliveries, services and offers made to the ordering party even where no separate agreements are concluded in respect thereof.

(3) Any business relationships of our Suppliers or third parties shall not have any application even where we do not separately contest their applicability in individual cases. Even where we refer to a written communication which contains or makes reference to terms and conditions of a Supplier or a third party, this shall not constitute any assent on our part to the applicability of those terms and conditions.

(4) The current version of the T&Cs (Purchase) shall also apply as a framework agreement for future contracts concluded with the same Supplier in respect of the sale and/or supply of movables, without it being necessary for us to make any further reference to them in each individual case.

(5) The Supplier is aware that the products of the ordering party are also exported to the USA. In order to facilitate the identification of the products, the subject matter of the contract in question must be labelled with an article number which is at all times capable of being attributed to the ordering party, the "LAVATEC" lettering, the date of manufacture, the batch and serial numbers and the country of manufacture.

II. Placing of Orders and Conclusion of Contracts

(1) The goods delivered by the Supplier will be used in the production of industrial washing machines. In the event of any restrictions in respect of the goods which are relevant for our business segment, this must be notified to us without delay, at the very latest three months prior to the commencement of deliveries. In the event of any changes to product specifications, to the extent that these can be implemented without any significant additional effort being required within the scope of the Supplier's normal production processes, this must also be notified to us at least three months in advance. Any significant changes to product specifications shall require the express written consent of LAVATEC Laundry Technologie GmbH. Where such changes result in delays in delivery which cannot in the context of the Supplier's normal production and business operations be avoided with a reasonable amount of effort, the delivery date originally agreed upon shall be postponed accordingly. In such a case, we must be notified of any such delays in delivery at least three months in advance. The Supplier shall provide us with an accurate written estimate of any expected additional costs or delays in delivery.

(2) We shall be entitled to terminate the contract at any time by means of a written declaration, including a statement of the reasons for the termination, where we are unable to

use the ordered products in our business operations as a result of circumstances occurring subsequent to the conclusion of the contracts in question. We shall in such a case remunerate the Supplier for its partial performance of the contract.

III. Prices, Payment Conditions, Invoicing Information

- (1) The prices agreed upon by the parties shall be binding.
- (2) In the absence of any divergent written agreement in this regard, the price shall include delivery and transport to the delivery address specified in the relevant contract, as well as the packaging costs.
- (3) To the extent that, in accordance with the agreement reached, the price does not include the packaging costs and the remuneration for the packaging – which is not provided by way of a loan – has not been expressly agreed, this shall be calculated on the basis of the verifiable cost price. The Supplier must, upon our request, take back the packaging at its own expense.
- (4) Unless otherwise agreed, we shall pay the purchase price with a 3% discount within 30 days, or in full within 60 days, of the delivery of the goods and the receipt by us of the invoice. The date of the receipt by our bank of our order for the transfer of payment shall constitute the relevant date for establishing the timely occurrence of payments owed by us.
- (5) Our order number, the article number, the delivery quantity and the delivery address must be indicated on all order confirmations, delivery documents and invoices. Should the absence of one or more of these details cause delays in our processing of the paperwork in question within the ordinary course of our business operations, the payment deadlines specified in the foregoing paragraph 4 shall be extended by the duration of the delay.
- (6) In the event of delayed payments, we shall be liable to pay interest payable on arrears in the amount of three percentage points over the base interest rate pursuant to Section 247 of the BGB.

IV. Delivery Times and Delivery, Passage of Risk

- (1) The delivery time (delivery date or deadline) specified in the order is binding. Early deliveries shall not be permissible.
- (2) The Supplier shall be obligated to notify us in writing without delay should any circumstances arise or become discernible which could prevent its compliance with the agreed delivery time.
- (3) Where a deadline for performance is contractually stipulated, the Supplier shall be in default once the deadline has expired, without any warning being necessary.
- (4) In the event of a delay in delivery, we shall be entitled without restriction to enforce our statutory rights, including the right to withdraw from the contract in question and claims for damages instead of performance upon the expiration of a reasonable grace period without performance having been effected.
- (5) In the event of a delay in delivery, we shall be entitled, having given the Supplier prior warning thereof, to impose a contractual penalty in the amount of 0.5%, up to a maximum overall of 5%, of the value of the order in question upon the Supplier for every week or part thereof by which delivery is delayed. The contractual penalty is to be added to the amount of

the compensation to be paid by the Supplier for the damages incurred by us as a result of the delay.

(6) The Supplier shall not be entitled to make partial deliveries without our prior written consent.

(7) Even where consignment has been agreed upon as the means of delivery, the risk relating to the goods in question shall only pass to us upon the handing over to us of the goods at the agreed point of destination.

V. Protection of Ownership

(1) We shall retain title and/or the copyright over orders and commissions issued by us, and over drawings, images, evaluations, descriptions and other materials provided to the Supplier. The Supplier may not make these available to third parties, publish them, or use or make copies, or permit third parties to use or make copies, of them without our express consent. It must return these materials to us in their entirety upon our request where they are no longer required by it in the ordinary course of its business or where negotiations do not result in the conclusion of a contract. In such a case, any copies of these materials made by the Supplier must be destroyed; the retention of documents in the context of statutory retention obligations and the storage of data for back-up purposes in the context of normal data back-up procedures shall be excluded from the scope of this obligation.

(2) We shall retain, or attain, ownership of any tools, devices or models which we provide to the Supplier, or which are produced for the purposes of the contract in question and are invoiced to us on a separate basis by the Supplier. The Supplier must label these items as our property, store them carefully, protect them from all manner of damage and use them solely for the purposes of the contract in question. To the extent that any costs arise which may be attributed to defects in such items produced by the Supplier or to improper use by the Supplier, its employees or other assisting parties, these shall be borne by the Supplier alone. The Supplier shall notify us without delay of any not merely insignificant damage to these items. It shall be obligated to return these items to us in an acceptable condition upon our request where they are no longer required by it for its performance of the contracts concluded with us.

(3) A retention of title by the Supplier shall only be valid to the extent that it relates to our payment obligation as regards the products over which the Supplier retains title. The extension in terms of scope or duration of a retention of title, in particular, shall not be permissible.

(4) The Supplier undertakes to notify us without delay should any third party commission the Supplier to produce drawings or to manufacture machinery or parts which are discernibly based on our designs.

VI. Warranty Claims

(1) We shall be entitled without restriction to enforce our statutory rights as regards defective goods. However, the period of warranty shall, in derogation from the statutory provisions, be 24 months.

(2) Any deviations in terms of quality or quantity shall in any case be deemed to have been reported in a timely manner where we notify the Supplier of their existence within 14 working days of our receipt of the goods in question. Any hidden material defects shall likewise be

deemed to have been reported in a timely manner where we notify the Supplier of their existence within 10 working days of our discovery thereof.

(3) Neither the acceptance by us of delivery nor our approval of specimens or samples provided to us shall constitute a waiver on our part of our warranty claims.

(4) The receipt by the Supplier of our written notification of the existence of defects in the delivered goods shall trigger the suspension of the statute of limitations in respect of any warranty claims. The warranty period for replacement and corrected parts shall recommence upon the receipt by us of a replacement delivery or upon the rectification of the defects in question, unless the Supplier's conduct leads us to assume that it did not consider itself to be under an obligation to take such remedial action, rather carried out the replacement delivery or the rectification of the defects solely as a gesture of goodwill or on similar grounds.

VII. Product Liability

(1) The Supplier shall bear responsibility for all claims brought by third parties on grounds of personal injury or damage to property which are attributable to a defective product supplied by it, and shall be obligated to indemnify us against all liability resulting therefrom. Should we be obligated vis-à-vis third parties to undertake a product recall campaign as a result of a defect in a product supplied by the Supplier, the Supplier shall bear all of the costs arising in connection with that product recall campaign.

(2) The Supplier shall be obligated to take out product liability insurance, at its own expense, with coverage in the amount of at least €5.0 million, whereby it shall not be necessary, except where otherwise agreed in individual cases, that this amount cover the risk of a product recall campaign or any criminal or other damage. The Supplier shall at any time upon our request provide us with a copy of this liability insurance policy.

VIII. (Industrial) Property Rights

(1) The Supplier shall ensure that no (industrial) property rights of third parties in countries within the European Union, in North America or in other countries in which it produces its products, causes them to be produced or sells them are infringed as a result of its deliveries.

(2) The Supplier shall be obligated to indemnify us against all claims against us brought by third parties as a result of any infringements of industrial property rights as specified in the foregoing paragraph (1) and to reimburse us for all necessary expenses incurred by us in connection with the bringing of such claims. This obligation shall exist irrespective of any fault of the part of the Supplier.

IX. Spare Parts, Design Modifications

(1) The Supplier shall be obligated to maintain spare parts for the products delivered to us for a period of at least ten years after the delivery of those products.

(2) Should the Supplier intend to discontinue production of spare parts for the products delivered to us, it must notify us of this decision without delay. This decision must – subject to the foregoing paragraph (1) – be reached at least 12 months before production is actually discontinued.

(3) Where a product is adapted in accordance with the most recent technological innovations (state of the art), and where this results in the characteristics of the product being modified in

any way, we must be notified thereof without delay, at the very latest three months prior to the carrying out of the modifications in question.

X. Confidentiality

(1) The Supplier shall be obligated to maintain confidentiality in respect of the terms and conditions of the order and all information and documents provided to it for the purposes of the order (with the exception of publicly available information) for a period of three years after the conclusion of the relevant contract, and only to use these for the purposes of fulfilling the order. It shall return the aforementioned information and documents to us upon our request without delay following the handling of any enquiries or the processing of any orders.

(2) The Supplier may not without our prior written consent refer in any advertising material, brochures, etc. to our business relationship or display any delivered objects produced for us.

(3) The Supplier shall ensure that its sub-contractors comply with the provisions of this Section X.

XI. Assignment

The Supplier shall not be entitled to assign its claims arising out of the contractual relationship between the parties to any third parties. This shall not apply in the case of monetary claims.

XII. Place of Performance, Place of Jurisdiction and Applicable Law

(1) The place of performance for both parties and the exclusive place of jurisdiction for all disputes arising out of the contractual relationship between the parties shall be Heilbronn.

(2) The contracts concluded between us and the Supplier shall be subject to the law of the Federal Republic of Germany, to the exclusion of the UN Convention on Contracts for the International Sale of Goods (the UN Sale of Goods Convention).

Date: May 2011