

General Terms and Conditions for Purchasing of the CLAAS Group (03/2010)

1. Field of Application / Placing of Orders

- 1.1. The legal relationships between the Supplier and CLAAS, including the companies associated with CLAAS according to § 18 of the German Companies Act, shall be subject to these Terms and Conditions. Any modifications and supplementary provisions must be made in writing. Any other general terms and conditions shall not apply even if no objections have been raised expressly in specific cases.
- 1.2. Contracts determine the item of delivery and the applicable terms and conditions and shall be binding if they are executed on CLAAS forms duly signed and have been submitted to CLAAS including the Supplier's signature. The same shall also apply to any modifications / amendments. The item of delivery shall be specified by the CLAAS material number shown in the Contract and the related documentation established. Liability quantities and deadlines for deliveries shall result only from the Scheduled Delivery Request or Delivery Requests made by CLAAS which may be forwarded to the Supplier in writing according to § 126b of the German Civil Code without any signature, unless the Supplier files an objection within 7 days from receipt.
- 1.3. Individual Purchase Orders (orders) not subject to the regulations applicable to Contracts can be placed at a maximum order value specifically determined by CLAAS without any need for signature and in writing according to § 126 b of the German Civil Code. Unless the Supplier raises objections against such an individual Purchase Order immediately upon receipt, it shall be deemed accepted without it becoming necessary to issue an order acknowledgement.
- 1.4. Any transmission of the Purchase Order to third parties shall not be allowed without CLAAS' approval.
- 1.5. Any modifications to the Product or changes in the Supplier's manufacturing process leading to a revision of the drawings' or quality standards' specifications or having any other impact on the operational reliability and function of the CLAAS products, shall be admissible only with CLAAS' prior written consent.

2. Dates of Delivery and Performance

- 2.1. The delivery shall be effected on the dates fixed in the Scheduled Delivery Requests, Individual Purchase Orders or Purchase Orders to be Delivered on Request. Owing to the series production, compliance with these deadlines is a substantial contractual obligation.
- 2.2. The relevant date for meeting the deadline shall be the date of receipt of the goods at the CLAAS factory to be delivered or at the place of delivery agreed by Contract.
- 2.3. Unless delivery "free at works" has been agreed, the Supplier shall provide the goods and notify the forwarder stipulated by agreement that the goods are ready for collection while taking the usually required time for loading and shipping into account.

3. Delay in Delivery

- 3.1. If the date of delivery agreed is not kept due to circumstances for which the Supplier is responsible, the Supplier shall be committed towards CLAAS to provide indemnification for the damage caused by the delay. Acceptance of the delayed delivery or performance shall imply no waiver of any further claims resulting from such delay. Any delivery must be notified to CLAAS in writing as early as possible.
- 3.2. If delivery is effected earlier than on the agreed date, CLAAS shall be entitled to make a return delivery at the Supplier's charge. If no return delivery is made in case of a premature delivery, the goods shall be kept in stock on CLAAS' premises until the date of delivery agreed at the Supplier's costs and risk. If premature deliveries are accepted, the payment of the purchase price shall depend on the date of delivery agreed.
- 3.3. In the case of default in delivery, a contractual penalty – subject to setting off any damages above and beyond the same - shall be payable in the amount of 0.5% / calendar week begun, in total a maximum of 5%, of the value of that part of the delivery or performance in default. In all other respects, § 341 BGB [German Civil Code] shall apply.

4. Terms and Deadlines of Payment

- 4.1. Payment shall be made after delivery and receipt of the invoice by bank transfer or cheque payment within 14 days after deduction of 3 % discount or within 45 days without any discount. If delivery on the basis of "FCA" (Incoterms 2000) has been agreed, the time for loading the goods plus the usual time required for transport shall be the relevant date for payment.
- 4.2. In case of a faulty delivery, CLAAS shall be entitled to retain payment to an amount covering the value of the faulty part of the delivery until delivery has been completed duly.
- 4.3. In case of successive deliveries and even with individual invoices issued for each particular delivery, CLAAS shall be entitled to combine such payments due at the end of each week without losing their entitlement to deduct the cash discount agreed.
- 4.4. The invoice must be sent to the factory receiving the goods at least 15 days before its maturity. It must contain the number and the date of the related Contract and Purchase Order, in case of cross-border deliveries within the EU the corresponding VAT identification number(s), the place of unloading, the number and date of the delivery note and the quantity of the goods invoiced. It is permitted to refer to only one delivery note on the invoice.
- 4.5. CLAAS shall be entitled to offset any accounts receivable of the Supplier against any accounts receivable which any company of CLAAS may have towards the Supplier. The assignment of such accounts receivable of the Supplier to any third parties shall be admissible only with CLAAS' con-

sent in writing. Such consent shall not be denied without a substantial reason. CLAAS reserves the right to make payments by cheques, drafts or time drafts with remuneration of the applicable discount rate, however never exceeding 0.5 % of the basic interest rate valid on the day of maturity.

- 4.6. If the item of delivery is the performance of building or factory services, § 16 of the standard official contracting terms (VOB/B) shall apply.
- 4.7. The Supplier shall not be entitled to impose the insecurity plea according to § 321 of the German Civil Code.

5. Inspection of Incoming Goods, Quality Assurance, Parts Subject to Documentation

The values determined by CLAAS during the inspection of incoming goods shall be relevant for numbers, measures, weights and the quality of a consignment. Acceptance of the goods shall be subject to their examination for correctness and suitability and, apart from that, according to the quality requirements of CLAAS, in particular according to the guideline "Quality in the Purchasing Process". CLAAS' inspection personnel and the competent national and international authorities shall be entitled to check the quality of the material and/or the manufacturing process of the items of delivery during the working hours in the Supplier's factory. Payment of the purchase price shall not be deemed to be an acceptance of the faultless delivery effected according to the provisions.

The Supplier shall be committed to comply with the state-of-the-art, the safety regulations, the "General Technical Delivery Instructions of the CLAAS Standard 05 001" and the technical data to be considered for its delivery and to check the quality of his products permanently. The first product sample testing shall be made in accordance with the stipulations of the Association of German Automobile Producers (VDA), fixed in the VDA document series "Quality Control in the Automobile Industry", volume II "Evaluation of Suppliers and First Product Sample Testing". For the parts marked with a "D" in the technical documents, the Supplier shall also be committed to note down in special records when, in what way and by whom the delivery items have been checked concerning the safety features and the results obtained from the required quality tests. The test documents must be kept in safe custody for 10 years and must be handed over to CLAAS at any time upon demand. The Supplier shall be committed to engage any sub-suppliers to the same extent and within the bounds of the legal possibilities.

6. Notification of Defects

The Purchaser must notify the Supplier immediately in writing of any defects in delivery, as soon as such defects have been detected according to the facts of the orderly course of business practice. Insofar the Supplier shall waive the objection against a belated notification of defects .

7. Freight, Packaging, Insurance and Transfer of Risk

- 7.1. The deliveries shall be made, unless a different agreement has been concluded in writing, free at works, packing and freight included. The shipping risk shall be borne by the Supplier. As for the rest, the Incoterms 2000 shall apply.
- 7.2. CLAAS is a self-insurer and, thus, a waiving client.

8. Warranty claims

The Supplier shall be liable for material faults and defects in title in accordance with the statutory provisions except insofar as stipulated to the contrary below:

8.1. Material faults:

In the case of delivery of defective goods, the Supplier shall, prior to commencement of the manufacture (processing or installation) first be given the opportunity of making subsequent performance through repair or replacement delivery, unless CLAAS cannot reasonably be expected to accept the subsequent performance. If the Supplier is unable to carry out the same within a reasonable period set, or it fails to comply with the same without delay, CLAAS may, in cases of special urgency, such as the threat of a production standstill, repair the object of delivery itself at the cost of the Supplier, have the work carried out by a third party or cancel the contract in this respect and return the goods at the risk of the Supplier. Costs arising herefrom shall be borne by the Supplier. If the same goods are repeatedly delivered with defects, CLAAS shall, following a written warning in respect of the scope of delivery not performed, be entitled to cancel the contract. The parts to be replaced by the Supplier shall, at his request and cost, be provided to him by CLAAS without delay.

8.2. Defects in title:

The Supplier shall be liable for ensuring that no industrial property rights of third parties (rights in results of work) are infringed. Should the use of the object of delivery infringe any industrial property rights of third parties, the Supplier shall indemnify CLAAS from all claims in the case of fault. The Supplier shall notify CLAAS upon request of the use of published and unpublished own and licensed industrial property rights and applications for industrial property rights in the object of delivery.

8.3. Limitation periods:

Claims under Clause 8.1 and 8.2 shall lapse by limitation upon the expiration of 24 months following the delivery of the final product to the final customer, at the latest, however, upon the expiration of 36 months following delivery to CLAAS. Rights of recourse of CLAAS against the Supplier on account of warranty claims in accordance with §§ 478, 479 BGB [German Civil Code] remain unaffected.

9. Liability

Unless a different regulation has been found, the Supplier shall be committed to provide indemnification for the damage which CLAAS has suffered indirectly or directly as a result of the defective delivery, the violation of official safety rules or of any other legal reasons for which the Supplier is responsible.

The Supplier shall be liable only if he is responsible for the damage caused, unless such cases are cases of liability based on causation irrespective of fault (e.g. product liability). If a claim is made against CLAAS resulting from a liability independent of responsibility by any third parties whose rights are not mandatory, the Supplier shall exempt him from such liability inter partes to the extent as such liability would also concern the Supplier himself directly. § 254 of the German Civil Code shall be applicable accordingly. The Supplier shall be liable for any action taken by CLAAS to defend themselves against damages (e.g. special inspections, recall of faulty products), to the extent to which the damages upon which such action is based is the Supplier's responsibility. The Supplier shall insofar be given opportunity to examine the damaging event. The Supplier shall take responsibility to comply with the regulations for the prevention of accidents and/or the safety recommendations of the professional associations, the industrial control board and similar authorities.

10. Manufacturing Means / Material Purchasing / Parts Developed by CLAAS

Manufacturing means such as models, samples, dies, tools, gauges, drawings and the like which have been provided to the Supplier by CLAAS or which have been manufactured by the Supplier according to CLAAS' instructions and at CLAAS' costs and any material and auxiliaries provided to the Supplier free of charge for treatment or processing purposes within the scope of a specific Purchase Order, shall remain the property of CLAAS and must not be transferred to any third parties or otherwise be left for use or used on behalf of any third parties without prior written consent even after termination of the Agreement. Besides, such manufacturing means must be provided to CLAAS free of charge and in a perfect condition after termination of the Agreement. CLAAS may take over any manufacturing means partly paid by CLAAS when the deliveries stop at the current value of the Supplier's share. Items of delivery which have been developed by CLAAS (e.g. according to CLAAS specifications or drawings) and which bear CLAAS' trademark and/or CLAAS' part number may be sold by the Supplier to the CLAAS factories exclusively. Any direct supplies to CLAAS' trade dealers or third parties are categorically excluded. The Supplier further commits himself not to offer such parts in catalogues or any other promotional or sales materials. In case of a violation of the Supplier's above-mentioned commitments CLAAS shall be entitled to cancel the Agreement and to demand surrender of the benefits obtained from the violation of the Agreement or indemnification for the damage occurred. The Supplier shall be committed to keep the material in safe custody on behalf of CLAAS with the due diligence of a prudent businessman and shall be obliged to give immediate notification to CLAAS in case levies of execution or any other safety measures could affect CLAAS property. In case any differences should occur in the manufacturing means provided, e.g. between the sample and the drawing, CLAAS shall be committed to give notice of such alterations before starting production.

11. Confidentiality and data protection

The parties to the contract undertake to treat all non-public commercial and technical details of which they become aware through the business relationship as trade secrets. No drawings or models, templates or samples or similar objects may be passed or made accessible to third parties. The Supplier may not without the consent of CLAAS use the fact of the business relationship for purposes of advertisement or public relations. Sub-suppliers are to be placed under an obligation of secrecy corresponding to this provision. CLAAS shall be entitled to process the personal data received within the scope of this business relationship in accordance with the provisions of the Bundesdatenschutzgesetz [Federal Data Protection Act].

12. External Human Resources

If any serious breach of the industrial safety regulations comes to CLAAS' knowledge, CLAAS shall be entitled to cancel the Agreement unless the Supplier remedies such reported breaches immediately. Furthermore, CLAAS shall have authorisation to order the Supplier's personnel to suspend their work immediately. In such cases, any damages resulting from delays shall be charged to the Supplier. The calculation of working time completed shall be recognised only on the basis of working times which have been signed by CLAAS or its representatives.

13. Force Majeure

Force majeure, labour conflicts and any other unforeseeable, inevitable or serious events shall exempt the parties hereto from their obligations to perform for the duration of the default in performance and to the scope of the effects of such events. This shall apply equally if such events occur at a time when the respective party hereto is in arrears. The parties hereto shall be committed to provide the necessary information immediately and to adjust their commitments to the different situation according to their good faith and belief to a reasonably acceptable extent.

14. Duty to Provide Spare Parts

The Supplier commits himself to process orders for spare and wearing parts orders within at least 10 years after the last delivery. The guarantee provision according to par. 8 shall be applicable to spare parts.

15. Place of performance and applicable law

The place of performance shall in each case be the place of the registered office of the works to be supplied. The court venue shall be the competent court at the place of performance. CLAAS shall, however, also be entitled to apply to the courts at the location of the registered office of the Supplier. The law of the Federal Republic of Germany shall apply.

The application of the referral rules under German international private law (conflict of laws) as well as of the provisions of the Convention United Nations of 11 April 1980 concerning the International Sale of Goods (CISG) is excluded.

CLAAS Kommanditgesellschaft auf Aktien mbH (Werk 51)

CLAAS Selbstfahrende Erntemaschinen GmbH

(CSE, Werk 10/16)

CLAAS Global Sales GmbH (CGS, Werk 24)

CLAAS Vertriebsgesellschaft mbH (CVG, Werk 78)

Münsterstraße 33

D-33428 Harsewinkel

For rail wagon loads, mixed cargo goods and express goods

Harsewinkel-West/railway siding CLAAS

CLAAS Service & Parts GmbH (CSP, Werk 11)

Kranstraße 40

D-59071 Hamm-Uentrop

CLAAS Industrietechnik GmbH (CIT, Werk 30)

Halberstädter Str. 15-19

D-33106 Paderborn

For rail wagon loads, mixed cargo goods and express goods

Paderborn main railway station/ railway siding CLAAS

CLAAS Hungaria Kft. (CLH, Werk 35)

Dozsa Gy. u. 17

5200 Törökszentmiklos, Ungarn

CLAAS Fertigungstechnik GmbH (CFT, Werk 50)

Dieselstraße 6

D-48361 Beelen

For mixed cargo goods and express goods free CFT, Beelen

via Warendorf railway station

CLAAS Saulgau GmbH (CSLG, Werk 65)

Josef-Bautz-Straße 6

D-88348 Bad Saulgau

For rail wagon loads, mixed cargo goods and express goods

Bad Saulgau/ railway siding CLAAS

Usines CLAAS France S.A.S. (UCF, Werk 70)

Route de Thionville

F-57140 Saint-Remy-Woippy, France

For rail wagon loads, mixed cargo goods and express goods

Woippy/ railway siding UCF