



GENERAL TERMS OF DELIVERY

Landoll Company, LLC (hereinafter "Landoll") requires its Suppliers to comply with these General Terms of Delivery, which apply to every request for Quotation, Purchase Order, Contract and/or Supply Agreement.

1. General

Our customers expect Landoll to provide prompt deliver of quality finished goods. Landoll expects and demands from its Suppliers:

- a) Supplied products and services comply with the required demands of Landoll.
- b) 100% on-time deliveries.
- c) 100% conforming product.
- d) To implement modern and efficient Quality Management Systems.

2. Products and Services Specifications

- 2.1 Specifications are necessary to determine the type of material, parts, and services with regard to their quality and characteristics. (i.e. dimensions, mechanical, electrical, chemical and other features as well as the installation of, operation and cost to build). Specifications are given by technical documentation as well as by samples that are used for comparison of those quality features that cannot be described in technical documentation. Technical documentation of Landoll includes drawings, parts list, test specifications, Landoll manufactured prototypes, processes, national and international standards, and any documentation provided in writing by the Supplier of products or services.
- 2.2 Specifications provided by the Supplier should include all necessary test data, drawing packages and installation instructions.
- 2.3 The Supplier and Landoll can use documents and knowledge acquired through mutual business relationship only for the purpose of meeting contractual agreements and are treated as confidential. This confidentiality shall be respected after termination of the business relationship. Suppliers are obligated to bind their employees, sub-suppliers, and other business partners to this confidentiality. All technical documentation given to a Supplier is proprietary of Landoll. Transmission of these documents to others is allowed only by written consent of Landoll. The Supplier shall confirm this commitment by signing a **Declaration of Confidentiality (LAN-0111)**.

3. Special Tools and Gauges

All special tools and gauges purchased by Landoll used to fulfill contractual agreements are property of Landoll. The Supplier must under no circumstances use these tools and gauges to manufacture products for other customers. Landoll can give the Supplier special tools and gauges in order to achieve faster order fulfillment. Modifications to special tools and gauges can only be performed by the Supplier after written consent from Landoll has been received. Maintenance procedures performed by the Supplier are allowed to maintain proper working condition and longer service life. The Supplier shall keep records of all procedures carried out on these special tools and gauges. The Supplier will protect special tools and gauges that are property of Landoll from damage or loss. Within 30 days after conclusion of contractual arrangements, the Supplier is obligated to return all special tools and gauges to Landoll. They shall be returned in proper working condition. The Supplier shall dispose of special tools and gauges only after receiving written consent from Landoll.

4. Quality Assurance

- 4.1 Before the beginning of regular supplies, every product will undergo a Quality Check by Landoll. The Supplier shall manufacture initial samples that are free of charge. Besides the initial samples, the Supplier shall deliver Landoll the entire required documentation for the samples. The above-mentioned procedure is necessary:
 - a) In case of a new Supplier.
 - b) When there are changes of construction, technology, material, or location of production.
 - c) After changing the sub-supplier or source of material supply.
 - d) After long interruptions in production.

After inspection of samples and technical documentation, Landoll will approve, reject, or grant temporary approval of submitted samples. Landoll shall inform the Supplier about its decision in writing. Approval of the initial samples and documentation does not authorize the Supplier to begin regular production. Regular deliveries can start when a Purchase Order or Supply Agreement is issued. Quality of regular deliveries of these products shall be the same or even better than that of the approved sampler.
- 4.2 The Supplier shall assure the quality of products and services in line with the requirements of Landoll. The Supplier shall inspect all product before shipment to Landoll.



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4.3 Landoll shall reject all nonconforming products. Consequently, all direct and indirect cost of:

- a) Transportation.
- b) Handling.
- c) Labor.
- d) Stoppage of production.
- e) Loss of sales.

will be charged to the Supplier. In cases of nonconformities of supplied products and services, Landoll can hold back the payment for product or services. In cases of hidden nonconformities in product or services are discovered by the customers of Landoll, the Supplier will be charged for all direct and indirect cost (repair, exchange of product, transportation, handling, etc.)

4.4 Landoll share file a **Supplier Notification of Nonconforming Product** when nonconforming product or services are discovered. The Supplier is required to respond to any kind of claim (telephone, fax, e-mail) within 48 hours of notification. The Supplier's response shall:

- a) Provide return authorization.
- b) Inform Landoll about actions required to assure that product is quarantined at Landoll.
- c) Inform Landoll about the causes for nonconformities and actions that have been carried out to prevent recurrence of nonconformities.

When documentation for corrective measures is required, the Supplier shall send a written plan of permanent elimination of nonconformities via **Supplier Corrective Action Report (LAN-01112)** within 30 days.

4.5 After product approval, the Supplier shall make no changes to technical requirements, documentation, Supplier's own supply source, technology, process, and location of production. The foregoing can only be changed after written consent of Landoll is received.

4.6 Landoll performs regular and spot audits to evaluate the efficiency of the Supplier's Quality Management System. A favorable evaluation gives priority to Suppliers for future requirements by Landoll.

5. Logistics

5.1 The Supplier shall provide packaging and identification to prevent damage or loss of product during shipping. Each packaging unit shall carry a label. The following information shall be stated on the label:

- a) Name of Supplier.
- b) Name of Product.
- c) Landoll Purchase Order Number.
- d) Landoll Part Number.
- e) Quantity.

The Supplier shall be liable for all costs associated with loss of material as a consequence of deficiencies in identification or packaging.

5.2 In cases of delay in supply (Force Majeure excluded), Landoll has the right to:

- a) Require from the Supplier complete or partial shipment or charge the Supplier 0.5% of the value of the ordered quantity for each day of delay.
- b) Acquire supply from another source at the Supplier's expense.

5.3 If not otherwise agreed upon, the Supplier shall assure "Safety Stock" in their inventory according to the Purchase Agreement, or at least 30% equal to the monthly needs (the average of the last 3 months). If this is not the case, Landoll has the right to charge the Supplier the cost of the missing stocks. In case of Force Majeure, new terms of delivery shall be specifically agreed upon. The basis for such an agreement is the Supplier's notice in writing to Landoll about the impossibility of deliveries within the agreed time.

6. Acceptance of Goods and Warranty

6.1 Reception and payment of supplied products or services does not indicate acceptance. Acceptance is carried out in accordance with the quality process at Landoll. The Supplier is fully responsible for conforming delivery quantities. In case of nonconforming quantity, Landoll has the right to:

- a) Accept an excessive delivery and change the quantities for future orders subtracting the difference accordingly.
- b) Reject excessive delivery at the Supplier's expense or charge the Supplier for the expense of storage if a quantity deviation has not been specifically agreed upon.
- c) Require from the Supplier immediate delivery of the deficient goods with all additional costs to be at the Supplier's expense.
- d) Charge the Supplier, if not otherwise agreed, for 10% of the value of the missing goods.

Landoll shall notify the Supplier about the claim referring to the nonconforming quantity within 30 days after the delivery date, by sending a **Receiving Discrepancy Report**.



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6.2 The Supplier is fully responsible for the functionality of the product supplied to Landoll for a period agreed to by both the Supplier and Landoll. If within that time period, product is discovered to be nonconforming to the original product specifications by Landoll or the customers of Landoll all direct and indirect cost (transportation and handling, labor, loss of sales, etc.) can be charged to the Supplier.

7. Price

Pricing for products or services is fixed. Each change in price resulting from price reduction or increase shall not be expected without written approval from Landoll. Price increases will not be applied to open orders with an order date prior to notification of such.

8. Freight

All inbound freight shall comply with the terms stated on the Purchase Order or Supply Agreement. Failure to comply with these terms can result in a Supplier Charge Back of the excessive freight charges incurred by Landoll.

9. Environmental Requirements

Landoll requires that the Suppliers of product, that contain any reportable hazardous material, to send a copy of the Material Safety Data Sheet (MSDS) with each shipment. Supplier shall send a PDF File copy of the MSDS to kenny.lee@landoll.com after the first Purchase Order or Supply Agreement has been issued. Any changes in the hazardous state of material will require an updated copy of the MSDS to be submitted.

10. Schedule Changes or Cancellations

The Supplier shall respond to all schedule changes or a request for cancellation within 48 hours. No response within this time frame will indicate acceptance on the Supplier's part. Charges associated with cancelled orders will not be accepted without written approval from Landoll. It is the responsibility of the Supplier to notify Landoll of any deliveries that will be late as the result of a reschedule request at the time of request.

11. Invoices, Packing Slips and Payments

11.1 If not otherwise agreed, Invoices are issued for each individual Order/Release. The Invoice shall include:

- a) Landoll Purchase Order Number/Release Number.
- b) Landoll Part Number.
- c) The Total Quantity Invoiced and Unit of Measure.
- d) Unit and Total Cost in USD.

The Unit of Measurement shall be the same on the Invoice and Packing Slip as the Unit of Measurement listed on Landoll's original Purchase Order.

11.2 The Supplier's product shall always be accompanied by a Packing Slip. The Packing Slip shall include:

- a) Landoll Purchase Order Number/Release Number.
- b) Landoll Part Number.
- c) The Total Quantity Invoiced and Unit of Measurement.

11.3 Landoll shall pay all Invoices with the agreed time frame. The Supplier is obligated to issue Invoices for supplies or services carried out together with the supply of goods or after service has been carried out. Terms of payment will begin from the time of delivery of goods and services.



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ACCEPTANCE OF GENERAL TERMS OF DELIVERY

Supplier: _____

Date: _____

Contact: _____

Agrees with these Terms:

Title: _____

Disagrees with these Terms:

Tel: _____

(requires amendments below or attached)

Fax: _____

Note: Signed acceptance of these General Terms of Delivery must be on file at Landoll Company, LLC to be considered an Approved Supplier.

AMENDMENTS

Landoll Company, LLC:

Accepts Amendments

Rejects Amendments

Supplier

Landoll Company, LLC

Signature

Signature

Title

Title

Date

Date