Purchase Agreement

1. General Conditions

1.1
This agreement is send to you in 2 copies, where one is to be signed by you and returned to Hydrema Holding ApS (Called Hydrema afterwards). The other copy is for your internal use.

This agreement can be used by all independent legal undertakings related to Hydrema – see enclosure.

Following conditions is shown in the first page of the Price-list:

- Responsible for this agreement for both Hydrema and the supplier
- Delivery conditions – standard FCA Incoterms 2000.
  Please Book at E-mails Address:transport@Hydrema.com
- Terms of payment (standard is running month + 30 days)
- Validity Period
- Currency

1.2

Commercial changes must be warned min. 3 months ahead before validity and must be negotiated and accepted from both sides.

By violation from one of the both sides, this agreement can be dismissed in writing with immediate effect.

Technical and commercial changes that will lead to price change, must be approved by Hydrema Purchase in writing.

1.3

None of the parties is allowed to leave all or part of this agreement to 3. party without written approval from the other part.

The Contact to Hydrema customers and Hydrema Dealers has only Hydrema. The supplier is committed to lead any inquiries from others to the Hydrema Sales organisation.

Regardless other sales terms given by the supplier, the terms written in this Agreement is the only one valid for this agreement – unless the terms from supplier is approved in writing by Hydrema.

2. Delivery

2.1

Orders will be placed successively within the fixed period in accordance with the current requirement in our production and the fixed quantities. The Forecast is a guidance and can not be taken for binding orders.

2.2

The supplier is responsible that the supplied products/services Is in accordance with the Qualities decided by both parties. Changes can not be carried through with accept ahead from Hydrema. Changes in specifications/Part number must be informed to Hydrema as soon as the supplier has knowledge of these.

2.3

All deliveries to Hydrema MUST be equipped with a delivery note and this must be placed visible.

If the goods are not provided with such, Hydrema will give notice and the goods will not be registered as received until the time where the proper document has arrived. The time of payment will be balanced from that time also. If no delivery papers is established, only the Hydrema registration counts (quantity and articles).

2.4

Delays on deliveries to Hydrema, caused by lack of approval against the low of suppliers country, is taken as a delay of delivery (see add. 3 DELIVERYTIME).

3. Delivery times

3.1

The agreed leadtime between Hydrema and the supplier is to find in the price agreement I the column leadtime. Hydrema is committed to respect this leadtime agreed as well as the supplier is committed to supply within this leadtime. Sudden occurred deviations to these, no matter the cause, must be brought to the knowledge of the other part, so that an immediate solution can be found. But still, it does not excuse the responsibility if it comes to stop or delay in Hydrema production.

3.2

If the supplier should give warning about changes in the agreed leadtime, they can not be effective faster, than Hydrema has a chance to avoid lacks of components from the present leadtime to a new longer leadtime.

The exact delivery time is given on our purchase order as a specific working day. It is meant as the day, where the goods has to be available on the Hydrema pointed out address. So the supplier must consider time of freight, when setting the time of departure. By delays the supplier is committed to pay a penance. On the 5. working day after supposed delivery to Hydrema warehouse, Hydrema can charge a penance – 1,5% of the order line per week of delay.

3.3

If the supplier demands for force Majeure, Hydrema can demand to get an official confirmation of the Force Majeure reason. As Force majeure can only the following reasons be accepted – reasons that the supplier had no chance to foresee when signing This agreement:

- natural catastrophe
- War
- Criminal acts
- Legislation
- Embargo
- Fire

Strike/lockout is not force majeure.

4. Warranty

4.1

The supplier gives a 24 month warranty counted from the day of delivery or 12 months from commissioning date. Faulty goods in this period will be returned against credit note and replaced with a new part against new invoice, if desired. In the first 12 months after delivery the supplier covers the costs that Hydrema may have had to change the part/repair. By larger falling out, Hydrema is committed to inform the supplier ahead. The supplier can than decide whether he will carry out the change/repair him self or he will pay Hydrema to do it. But it may not cause delays in Hydrema Production/stop by the customer. If that is the fact, Hydrema will do what it takes to solve the problem. The costs per hour in 2008 is set for 45€ per hour. Hydrema is committed to inform about the hour consumption on the time where the defect component(s) is being returned.

The supplier is committed, throughout his quality system, to ensure that quality of goods supplied to Hydrema is in accordance with the specifications agreed ahead.

Faulty parts will be returned upon the costs of the supplier. Alternatively, they are being scrapped on the premises of Hydrema against credit note. This is to be agreed from case to case.

5. Spares

5.1

The supplier Is committed to provide Hydrema with relevant spares. Hydrema must be able to provide customers with spares for min. 10 years after delivery.

The supplier makes the documentation necessary available such as repair manuals, spare parts lists etc.

The supplier gives, on request from Hydrema, his experiences to knowledge as far as the range of spares concerns, quantities etc. so that Hydrema will be capable of carry out a customer service for a app. 90% level.

5.2

Hydrema receives a pricelist of the spares necessary. This will be treated as any other kind of OEM-price Agreement. That means, steady prices in an agreed period – normally one year and then renegotiating.

6. Tooling (not all suppliers)

6.1

If this agreement is containing parts, requiring Tools and these is customised, produced up against Hydrema drawing, the costs is being held by Hydrema and therefore the tolls is our property. All tools must be marked with minimum

THIS TOOL IS PROPERTY OF A/S HYDREMA
PARTNO/DRAWINGNO.
DATE

Insurance of the tools, as long as they are placed by the supplier, is on his risk and responsibility. If there may happen something to the tools caused by fire, violence, wrong use caused by ignorance, the costs of the damage/tool will be covered 100% by the supplier. If the tools is being worn out over there lifetime and must be repaired/replaced, these cost is being held by Hydrema.

7. Dispute

Any disagreement that can not be solved by negotiating, will be settled after Danish law and by the venue of Hydrema. Other conditions: NL01.

8. Quality Management

8.1

Hydrema is certified up against AQAP 120 and according to this certification, Hydrema is committed to ensure following from the suppliers of Hydrema:

- that the supplier deliver products in fully accordance with the technical specification agreed.

- On request, the supplier deliver mess- and test Report, control specifications and mess-/or testing plans.

The supplier is expected, in a curtain scale, to work against obtaining and retaining certification according to EN/ISO9001.

Incoming inspection is held on behalf of ISO 2859 Level 2, AQL 1,5.

8.2

Below procedure is valid where Hydrema has agreed National contracts including a demand for facility and assistance for the quality inspector of Hydremas customer.

The demands can be made valid in the Production Areas of Hydrema as well to the sup-supplier of Hydrema (**ONLY VALID FOR SUPPLIERS, THAT PRODUCE AND DELIVER UP AGAINST HYDREMA DRAWINGS**).

The Quality manager of Hydrema is entitled to allow access to contractual, relevant documentation and to arrange access to the production facilities of Hydrema Production and/or the facilities of Hydrema suppliers, so that the customers Quality inspector in extent relevancy, achieves free access to verify products, services and/or quality assurance activities.

On request, the customers quality inspector is assigned to:

- have suitable office facilities for administration in connection with the exercise of this duties and suitable workshop facilities in connection with carrying out the required verification.
- Unrestricted access to areas in which contractual relevant work Is being carried out.
- Suitable assistance in connection with documentation, inspection and release of supplies and/or services.
- Right to make relevant verification of processes, procedures and inspections, when required to ensure/check that Hydrema live up to the contractual conditions.
- Right to assistance at verification, including operation of measuring and test equipment.

For Hydrema / -

For Supplier / -

List of Hydrema companies

Hydrema Holding ApS
Gl. Kirkevej 16
DK-9530 Støvring

VAT-nr. DK 12 86 32 33
Tlf.: 0045 98 37 13 33
Fax: 0045 98 37 99 12

A/S Hydrema Ejendomme
Gl. Kirkevej 16
DK-9530 Støvring

VAT-nr.: DK 12 86 32 41
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Fax.: 0045 98 37 99 12

A/S Hydrema Produktion
Gl. Kirkevej 16
DK-9530 Støvring

VAT-nr. DK 13 89 76 03
Tlf.: 0045 98 37 13 33
Fax: 0045 98 37 22 11

Hydrema Produktion Weimar GmbH
Kromsdorfer Strasse 18
DE-99427 Weimar

VAT-nr: DE 150 118 460
Tlf.: 0049 36 43 46 16 00
Fax: 0049 36 43 46 16 01

A/S Hydrema Distribution
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VAT-nr: DK 10 00 62 52
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Fax: 0045 98 37 19 96

Hydrema Distribution Weimar
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DE-99427 Weimar

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A/S Hydrema Danmark
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DK-9530 Støvring

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Hydrema Baumaschinen GmbH
Kromsdorfer Straße 18
DE-99427 Weimar

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Hydrema (UK) Ltd.
Barugh Way, Melmerby Green Road
Barker Business Park, Melmerby
UK-Ripon HG4 5NB
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Hydrema AB
Hjalmar Petris Väg 44
S-35 246 Växjö

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Fax: 0046 47 613 1 40 11



A/S Hydrema Norge
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A/S Hydrema Finans
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