

## Conditions of Purchase of Bayer Thai Co., Ltd.

- 1 General
  - 1.1 These Conditions shall be an integral part of the purchase contract. **Unless otherwise agreed in writing by the parties, or unless the parties enter into a separate written purchase contract, the following terms and conditions shall apply to the purchasing transaction of goods or services (the "Transaction").** Conflicting or deviating conditions of delivery stipulated by the Seller or other reservation made by the Seller shall not be deemed accepted unless the Buyer has expressly accepted them in writing for a specific order.
  - 1.2 Other agreements, amendments or subsidiary agreements shall not be effective unless the Buyer has given his written consent thereto.
- 2 Offer
  - 2.1 The Seller's offer shall cover exactly the quantities and qualities specified in the Buyer's inquiry. Any departure therefrom shall be expressly mentioned.
  - 2.2 The offer shall be submitted cost-free and without any obligation being imposed on the Buyer.
- 3 Order
  - 3.1 Orders and alterations to orders shall be made in writing. In case of doubt, verbal agreement or arrangements discussed over the phone shall only be binding if confirmed in writing.
  - 3.2 Each order or alteration to an order shall be confirmed by the Seller in writing and shall be treated separately in all correspondence.
  - 3.3 The following details shall be stated in all correspondence: the purchasing department, the complete order number, the date of the order and the Buyer's reference.
- 4 Period for Delivery
  - 4.1 The period for delivery shall run from the date of the order. If the Seller has reason to assume that he will not be able to meet, or meet in time, all or part of his contractual obligations, he shall inform the Buyer thereof immediately, stating the reasons and the likely duration of the delay. If the Seller fails to do this, he shall not be entitled to claim exemption from responsibility for the delay on the grounds of the hindrance.
- 5 Warranty, Liability and Notification of Defects
  - 5.1 The Seller warrants the goods supplied by him to be free from defects which may reduce their value or affect their usability, to be in accordance with the conditions stipulated in the order, to have the warranted properties, to be in conformity with the generally accepted industrial standard of practice, and to conform to the most recent regulations and to the appropriate safety specifications and rules for the protection of workers and prevention of accidents. Should the delivered goods fail to meet any or all of these requirements, the Buyer shall be free to request either a termination of the contract or a reduction in the purchase price or replacement of the defective item by a non-defective one or, if the Seller has the necessary technical equipment, repair of the defect. This shall not apply to defects or damage caused by
    - (a) normal wear and tear
    - (b) inappropriate handling by the BuyerThe Buyer shall notify the Seller of any defects in the delivered goods as soon as they are discovered in the regular course of business. The above provisions shall apply mutatis mutandis to services such as assembly, erection, maintenance, etc.
  - 5.2 Unless agreed otherwise, the warranty period shall be 1 year, starting from the time the goods are put into operation or used for the first time, but shall not exceed two years from the date of delivery.
  - 5.3 The Seller's warranty shall also cover any items manufactured by subcontractors.
  - 5.4 If the Seller is notified of a defect, the warranty period shall be extended by the time which elapses between such notification and the repair of the defect. If the item supplied by the Seller is replaced in whole by a new one, the warranty period shall begin anew if the item is replaced in part: the warranty period shall begin anew for the new parts.
  - 5.5 Goods that sustain defects under the warranty shall remain at the Buyer's disposal until replacements have been supplied, whereupon they shall become the property of the Seller.
  - 5.6 In urgent cases, or if the Seller defaults or fails in repairing a defect, the Buyer may repair the defect himself at the Seller's expense or avail himself of any of the other warranty rights mentioned in clause 5.1.



- 5.7 Acceptance of the Seller's supplies and services by the Buyer shall not affect the Seller's obligations under the warranty.
- 5.8 The Seller must notify any changes on the quality of product or services to Bayer Thai in writing. If the Seller fails to perform this obligation, Bayer Thai reserves the right to reject such materials/products or services and shall have the right to claim from the Seller any cost/damage arising out of such failure.
- 6 Tests
- If tests are specified for the goods to be supplied, the Seller shall bear the costs of such tests, including his own personnel costs, but excluding the Buyer's personnel costs. The Seller shall inform the Buyer not less than one week in advance of the date on which the goods will be ready for testing and shall agree with the Buyer on a date for the tests. If the goods are not presented for testing on this date, the Buyer's personnel costs shall be borne by the Seller.
- If any defects are found in the goods which make it necessary to repeat the tests or conduct further tests, the Seller shall pay all the personnel costs and other costs entailed. The Seller shall also pay all the personnel costs and other costs incurred in connection with testing the materials used by him in executing the order.
- 7 Insurance
- 7.1 The transport insurance shall in all cases be taken out by the Buyer.
- 7.2 The Seller shall take out at his own expense adequate third party liability insurance to cover damage resulting from services rendered by or goods delivered by or property belonging to his personnel, or third parties commissioned by him.  
The Seller shall, if so requested, submit to the Buyer documents showing the sums insured per occurrence.
- 7.3 The procurement of special assembly/erection insurance in addition to the third party liability insurance mentioned in clause 7.2 shall in each case be subject to agreement between the Buyer and Seller.
- 7.4 Any machines, apparatus, etc., supplied to the Buyer on loan will be insured by the Buyer against the usual risks. Any further liability of the Buyer for destruction of such machines, apparatus, etc., or damage thereto, shall be excluded, unless it has been caused willfully or through gross negligence on part of the Buyer.
- 8 Shipping Requirements
- 8.1 On the day on which the goods are dispatched, the Seller shall send the Buyer a detailed dispatch note for each consignment separately from the goods and invoice. The goods shall be accompanied by a delivery note and packing slip. If the goods are sent by ship, the shipping papers and invoice shall state the name of the shipping company and of the ship. The Seller shall choose the mode of transport most favorable and suitable for the Buyer. The Seller shall show in full the order reference number and point of unloading specified by the Buyer in all dispatch notes, delivery notes, packing slips, bill of lading and invoices, on the outer packaging of the goods, and elsewhere if appropriate.
- 8.2 The Seller shall always pack, mark and ship dangerous goods in compliance with the appropriate national/international regulations. The accompanying documents shall show not only the risk category but also any further particulars required by the appropriate transport regulations
- 8.3 The Seller shall be liable for any damage caused by non-compliance with these provisions and shall pay any costs incurred thereby. He shall also be responsible for ensuring that these shipping requirements are complied with by subcontractors.
- 8.4 Any consignments of which the Buyer is unable to take delivery because of non-compliance with these provisions shall be stored at the Seller's expense and risk. The Buyer shall have the right to ascertain the contents and condition of such consignments. Tools and erection equipment shall not be loaded together with goods.
9. Prices and Conditions
- Should the Seller reduce his prices or grant better conditions between the placing of the order and delivery thereof, the prices and conditions effective at the date of delivery shall apply.
10. Invoice and Payment
- 10.1 The Seller's invoices shall agree with the respective orders in their wording, order of items and prices. Any additional or deleted services or supplies shall be stated separately in the invoice.
- 10.2 Periods for payment shall begin on the specified dates, but not before the dates on which the goods and invoices are received.



- 10.3 Payment shall not be deemed to constitute acceptance of conditions and prices. Documents describing special instructions from the Buyer, shall remain the Buyer's property and shall not be used for any other purpose, reproduced or made available to third parties by the Seller. The Seller shall, if so requested, surrender them and all copies and duplicates thereof, to the Buyer without delay. The Buyer reserves the industrial property rights to all documents he supplies to the Seller.
11. The Seller shall regard the inquiry and the order and all work in connection therewith as a trade secret and treat them accordingly as confidential. The Seller shall be liable for any loss suffered by the Buyer because he has failed to fulfill any or all of these obligations.
- 11.1 The Seller shall provide the Buyer with all documents needed for discussion of the goods or services to be supplied. Such discussion or other involvement of the Buyer shall be exclusively within the Seller's responsibility and shall not release the Seller from any warranty or other obligations.
- 11.2 The Seller shall supply to the Buyer in good time at no cost to the Buyer and without being specially requested to do so, all documents needed by the Buyer for the use, erection, installation, processing, storage, operation, servicing, inspection, maintenance or repair of the goods supplied.
- 11.3 Whenever the Buyer specifies standards or regulations, the latest version shall apply. The Seller shall request the Buyer to supply him with his works standards and regulations, in so far as they have not already been supplied.
12. Incidental Items  
Moulds, models, tools, films, etc. that have been made by the Seller to enable him to execute the order shall, on being paid for, become the property of the Buyer, even if they remain in the Seller's possession. The Seller shall be obliged to hand them over to the Buyer on request.
13. Assembly, Erection, Maintenance, Inspection Repairs. Etc.
- 13.1 If assembly, erection, maintenance, inspection, repairs, etc. are carried out in any of the Buyer's factories, such work shall be subject to the safety and conduct regulations for contractors and their personnel working on the premises of the Buyer or its subsidiaries. These regulations will be supplied at the start of the assembly or erection work, or they should be requested from the Buyer's plant security department.
- 13.2 The Buyer shall not be liable for any property of the Seller or his personnel, which is brought onto the Buyer's premises.
14. Patent Infringement  
The Seller shall be liable for any infringement of patents, licenses or protective rights of third parties that may result from the supply or use of the goods. Any license fees payable shall be borne by the Seller.
15. Advertising Material  
The Seller shall not refer to his business connection with the Buyer in any information or advertising material except with the Buyer's prior written consent.
16. Applicable Law, Interpretation of Provision, etc.
- 16.1 The present Conditions and the purchase contract shall be subject to Thai Law.
- 16.2 Customary trade terms shall be interpreted in accordance with the most recent incoterms.
17. Origin of Goods  
The goods supplied must conform to the conditions of origin specified in the preferential agreements of the EEC, unless the order confirmation expressly states otherwise.
18. Place of Performance and Jurisdiction  
Unless otherwise stipulated in the order, the place of performance shall be the point of delivery specified by the Buyer. The place of Jurisdiction shall be Bangkok, Thailand.