

General Conditions of Purchase

1. General

a. Our orders are exclusively based on the a. following Conditions. The Supplier has to accept these conditions for the present contract, by the beginning of the execution of the contract at the latest.

b. Any terms and conditions of the supplier apply only if we have agreed to their validity in writing.

These terms and conditions also apply if we unconditionally accept a delivery being aware that the conditions of purchase of the suppliers standing in conflict with or differing from ours.

c. All agreements made between us and the supplier in performance of this contract shall be set down in writing in this contract and in the order.

d. We can cancel the order without incurring any costs, if the supplier fails to confirm the unchanged order within 2 weeks after he received the order.

e. These terms and conditions also apply to all future businesses and contracts with the supplier.

2. Shipping and transfer of risk

a. The delivery must be made to the specified destination (shipping address in accordance with the shipping code) and to the delivery date specified in the order. Unless otherwise agreed, the shipping and packaging costs are paid by the supplier. Additional costs of an accelerated transportation to meet a delivery date are also paid by the supplier.

b. After agreement on pricing, ex factory or ex warehouse of the supplier shall be shipped at the lowest possible cost, unless we have specified a particular mode of transport in advance.

c. The delivered goods must be correctly packed, if their nature requires a package while transport. The packaging must comply with the transport regulations and the transport regulations applicable to the chosen type of transport and any packaging regulations specified by law or in our order. Returnable packaging materials will only be returned by us if it contains a printing of the owner which makes it possible to allocate the materials. Additional costs due to neglecting any shipping or packaging instruction are paid by the supplier.

d. The order will be shipped to the specified destination at risk of the supplier, unless the transport is performed by our own vehicles or with another transport company which was chosen by us. In case of the goods arriving at the destination in damaged packaging or if it is delivered in damaged packaging to our driver or the transporter company we have chosen, we are entitled to reject the consignment without examination of the goods themselves. The costs of any return are paid by the supplier.

e. Each shipment must include a delivery note, including the product description, names as well as the purchase and product numbers, which are all given in our order.

f. The supplier warrants that the deliveries are in strict accordance with the Regulation EC no. 1907/2006, which includes provisions towards Registration, Evaluation, Authorization and Restriction of Chemicals (REACH Regulation). The materials contained in the supplier's products are, as far as required under the provisions of the REACH Regulation, pre-registered or registered after the expiry of the transitional period, unless the substance is exempted from registrations. The supplier has to provide safety data sheets about the material according to REACH Regulation respectively according

to Art. 32 of the REACH Regulation. Upon request, the supplier also has to share information upon Art. 33 REACH with us.

3. Acceptance of the goods supplied

a. The acceptance of the delivered goods is always subject to the assertion of all rights, especially of defective or delayed delivery.

b. If the acceptance is prevented by circumstances which are beyond our control or make it substantially more difficult, we are entitled to postpone the acceptance for the duration of these circumstances. Circumstances of that type are in particular all problems influencing our operation, processing, disposition sectors or any other use of the product, if the problem is caused by relevant acts of authorities such as import and export restrictions goods, natural events such as fire and water damage, shortages of raw material and transportation equipment, operational problems, such as the interruption or restriction of the power supply and any other circumstances that cease or significantly restrict our production. If these circumstances last more than four weeks, the supplier is entitled to withdraw from the contract if we continue to refuse to accept the goods. Further claims are excluded.

4. Prices and payment

a. The prices presented in the order are fixed prices. They include all expenses in connection with the deliveries and services to be provided by the supplier, unless otherwise agreed.

b. With the delivery of the goods, there has to be an invoice stating our order as well as the exact content and weight and all required mandatory information according to § 14 para. 4 USgG in a single copy to be sent separately. Invoices with incorrect or mission information are generally not recognized and returned for correction or amendment to the exhibitor. The deadline for any cash discount for prompt payment starts after receiving a complete and correct invoice of the order.

c. The payment is made, unless otherwise agreed, within thirty days minus 3% discount or within sixty days net after delivery of goods and invoice.

d. A payment does not constitute acceptance of the goods or services as contracted. In case of defective or incomplete delivery and/or services, we are entitled without influence on our other rights to withhold payment on claims arising from the business relationship to a reasonable extent until proper performance. This rule applies in the case of set-off accordingly.

e. The payment period begins in no event prior to the agreed delivery date.

f. Receivables from the contracts concluded with us may only be assigned with our written consent.

5. Safety and environmental protection

a. The goods and services of suppliers must comply with the statutory provision, in particular the safety and environmental regulations.

b. Technical equipment must be in accordance with the Equipment and Product Safety Act (EPSA/GPSG) comply with the safety requirements and other requirements issued on the basis of the EPSA/GPSG for bringing products into circulation and may in principle not endanger life or health or any other in the ordinance listed legal interest of users or third parties under normal use.

6. Import and export regulations (customs)

a. Imported goods must be delivered with the duty already paid. The supplier is obliged to provide declarations and information required under Regulation EC No. 1207/2001 at its own expense, to permit inspections by the customs authorities and to provide the necessary official confirmations.

b. The supplier is obliged to notify us of any license requirements for (re-) export in accordance with German and European export control laws and customs regulations of the country of origin of the goods in detail and in writing. The supplier is obliged to provide explanations and information requested at his own expense, to permit inspections by the customs authorities and to provide the necessary official confirmations or other necessary documents which are necessary for the import clearance of goods. Any delays caused by missing or faulty statements, information or documents of the supplier shall be borne by the supplier. Uniform UN Sales Convention (CISG).

7. Warranty/Shipping time

a. The supplier has to warrant that his delivery has the contractually agreed properties, complies with the relevant statutory provisions and the admitted rules of engineering and is not defective. The supplier further warrants that the delivered goods have not changed in their design and composition over previous similar defect-free deliveries, in case that such changes have not been agreed upon with us.

b. Obvious defects (especially packaging damage) are reported by us within one week after the delivery to the destination specified by us (shipping address in accordance to the Shipping Code). Hidden defects are notified by us within one week after discovery of the defect. If a quality assurance agreement has been concluded with the supplier, we are exclusively obliged to perform random inspections and only to report obvious defects. For the preservation of our rights, the timely dispatch of the defect notification is sufficient.

c. If the supplier in case of defective delivery does not comply his obligation to subsequent performance – by removing the deficiency (repair) or by delivering a faultless item (substitute delivery) – within a deadline set by us, we can at the supplier's cost repair it on our own or by a third party or supply alternative goods from a third party. If the subsequent performance failed by the supplier or unreasonable for us (e.g. due to special urgency, risk to safety or imminent occurrence of disproportionate damage) no deadline is required; the supplier shall be informed immediately if possible, even before.

d. After a failed attempt of rectification from the supplier, we can also withdraw from the contract and/or claim compensation instead of performance. Another supplementary performance is not entitled to the supplier. The right to withdraw or to demand damages instead of the performance shall be due to us, as far as the supplier only occasionally fails, either with regard to this part or the whole contract.

e. For a repair of the defective product by the supplier, the product will be upon our decision provided at the place where it is located when the defect was discovered or at the last destination under paragraph 2. The supplier is obliged to collect the goods at his own expense from there, if a repair on the spot is not possible, and then send it back there. The cost of a subsequent performance will be paid by the supplier. For the duration of the subsequent performance the ongoing process of warranty periods is inhibited.

f. The foregoing provisions also apply in the case of late delivery. If an excess of the agreed delivery date or the agreed deadline is predictable by the supplier, he has to inform us about the expected duration of the delay, without any reduction to his other obligations.

For a delivery to be in time, the arriving at destination which was specified by us counts.

8. Production equipment

a. All production equipment such as designs, drawings, models, samples, measuring and test equipment, supplied and testing, printing templated and others, as well as all tools we provide to the supplier to execute the order remain our property; All trademarks, copyrights and other intellectual property rights remain with us. Our tools have to be insured and maintained adequately by the supplier. The production tool, which are made by the supplier in compliance with the order on which we were charged for are our property with the date of manufacture. They are stored free of charge by the supplier until their release.

b. The production tools mentioned before, as well as the goods produced with your help and confidential information used in this context are without our explicitly written permission prohibited to be used for other purposes, to be reproduced or to be disclosed to third parties and/or to be left to those. They have to be protected against unauthorized access and use. They have to be returned to us automatically by the supplier, when the business-relationship ends, the supplier no longer needs them to further meet the delivery/performance or we do not explicitly leave them with the supplier.

9. Product liability and insurance

a. If the supplier is responsible for product damage, he is obliged to carry all costs of the first claim for damages of a third party, as long as the cause is set in his sphere of control and organization and he himself is liable in the external relationship.

b. The supplier must have a product liability insurance with coverage of at least EUR 5 million per personal injury and/or property damage – during the term of this contract, which means up to the expiry of the defects limitation period; if we have further claims for damages, these will remain unaffected.

c. The supplier has to cover adequate insurance for damages that he himself, his legal representatives, officers or other agents in connection with the contract could cause, at his own expense.

d. The supplier will provide us with prove of insurance upon request.

10. Copyright

The supplier warrants that the goods or their use does not infringe any intellectual property rights or other rights of third parties. In case those rights do exist, the supplier shall compensate us regardless of his and our knowledge for resulting damage. The supplier is also obliged to indemnify us against third party claims or intellectual property rights.

11. Retention of title

The ownership of the delivered goods is transferred to us after the payment. Any prolonged or extended retention of title is excluded.

12. Place of Performance

Place of performance for deliveries is the place of transfer of risk; Place of payment is Harrislee.

13. Confidentiality and rights of third parties

The supplier has to see the appointment, the conclusion of the contract, the related services and all information received in connection with the performance of the contract in particular technical and commercial nature, as trade secrets and keep them confidential. Only under explicit written permission they're allowed to be disclosed to third parties. The obligation of confidentiality is also still valid after completion or failure of this agreement. It expires if and insofar as the knowledge contained in the documents has become generally known. Preliminary suppliers have to be chosen according to this.

14. The place of jurisdiction and legal responsibility

The place of jurisdiction for any disputes is Flensburg. However, we are also entitled to sue the supplier in any other permissible place of jurisdiction at our discretion. The law of the Federal Republic of Germany prevails as the legal relationship, with the exception of the Uniform UN Sales Convention (CISG).