

Conditions of Purchase

Only the following conditions of purchase shall apply in respect of our orders and business transactions.

Modifications or additions as well as conditions of sale on the part of the supplier deviating from the following conditions of purchase shall only apply if they have been confirmed in writing as an addition to our conditions of purchase. Should we not confirm these, they will still not apply in cases even where we do not expressly reject them.

The same shall apply in cases where we accept goods in their entirety or in part or make payment. Any initial delivery under these conditions of purchase shall mean that the supplier recognises these conditions as applying exclusively and being legally binding, also for all further deliveries.

1. Orders

- 1.1. Orders and any modifications to them shall only apply if they have been communicated or confirmed by us in writing and have been signed. Verbal agreements shall only be legally binding if they have been confirmed in writing.
- 1.2. The supplier shall be obliged to confirm the order/modification forthwith. Should we receive no due confirmation within 14 days – calculated from the date of reception of the order/modification – we shall be entitled to withdraw the order without giving rise to any entitlement on the part of the supplier.
- 1.3. In the case of as yet unfulfilled orders or not yet fully completed orders, we shall be entitled at any time to demand modifications in respect of design, delivery or delivery period.
- 1.4. The supplier may place subcontracts with our consent only.
- 1.5. Should the supplier discontinue payments or should bankruptcy proceedings be commenced against him or should bankruptcy proceedings be commenced against him in or out of court, we shall be entitled to withdraw from the contract without prejudice to any other rights.

2. Delivery and acceptance

- 2.1. Agreed delivery times and dates shall be binding. If agreed delivery times and dates are not observed we shall then be entitled, according to our choosing, to demand subsequent delivery and damages for late delivery, or, once the additional delivery period set by us as appropriate has expired, to demand compensation for non-performance. In addition, the supplier shall be obliged upon our request to hand over to us the aids to manufacture specially required for the outstanding delivery.
- 2.2. The supplier shall observe the provisions of the conveyor, carrier, haulage contractor and/or forwarder in question. In cases of damage as a result of defective packaging the supplier shall be liable. Packaging costs, the costs of haulage and storage, as well as all ancillary costs of shipment shall be borne by the supplier. This shall also apply to extra costs arising from circumstances for which the supplier is responsible and which result in the necessity to expedite the shipment.
- 2.3. The supplier shall bear the costs of return of empties and packaging material, provided it is not non-returnable packaging.
- 2.4. In case of delivery free factory, risk shall pass to us once the delivery has been properly handed over and accepted at the place of performance.
- 2.5. The numbers of items, dimensions, weights and features of quality determined by our receiving inspection shall be decisive. Our statistical testing method, if any, designated in our order and the order resulting therefrom shall also be decisive in respect of the entire delivery. The defence of late notice of defects or of unconditional acceptance shall not apply. We shall be entitled to return goods delivered before the agreed date, at the cost and risk of the supplier, or to charge for storage costs.
- 2.6. Natural disasters, social or political unrest, government measures or those of other bodies, disruption to transport, industrial conflict or action or other interruptions of operations in our area or in that of our suppliers which result in the discontinuation or restriction of manufacturing or prevent us from forwarding the goods ordered shall release us for the period and scope of its effect from our obligations of acceptance of delivery, provided that we are unable to remove this disruption or its removal is not possible by reasonable means.

3. Quality

- 3.1. The supplier shall ensure that the goods ordered meet the requirements and agreed specifications. These shall be deemed guaranteed qualities. Furthermore, the supplier shall guarantee that the goods ordered are free of defects in respect of design, material and manufacture.
- 3.2. The supplier shall be obliged to perform quality control checks appropriate in type and scope and in accordance with the state of the art.
- 3.3. If we request initial samples and/or reference samples, the supplier shall be permitted to commence series production only once we have supplied the latter with our express written permission.
- 3.4. We shall expect the supplier to constantly maintain the quality of the products to be supplied to us in accordance with the state of the art and to inform us of any possible improvements and technical modifications. In any case, however, any modification whatsoever to the goods supplied may only be made with our express prior consent.

4. Prices, payment and transfer of ownership

- 4.1. The prices set out in the order shall principally apply free our factory. If there should be an exceptional case in which prices are not agreed in advance, then the contract shall only come into effect once the prices to be given as binding in the confirmation of order have been accepted by us in writing.
- 4.2. Payment shall be made after receipt of goods in accordance with the contract and receipt of the proper and verifiable invoice, within 14 days, including 2 % cash discount or 30 days without deduction.

- 4.3. The supplier shall neither be permitted to assign his rights to claims against us nor have them collected by third parties.

- 4.4. In the event of a defect in an area subject to guarantee, we shall be entitled to withhold payment until proper removal of defects.

- 4.5. If we have made an advance or down payment or have supplied material for processing, then the ownership of the goods ordered shall pass onto us upon commencement of manufacture. Handing over is substituted by the agreement that the goods shall remain in the possession of the supplier for the purpose of processing until the agreed deliver date and that they are being held in safekeeping for us.

5. Guarantee and liability

- 5.1. The supplier shall guarantee the freedom from defects of the goods delivered in respect of design, manufacture and material. He shall guarantee the agreed qualitative and decisive properties as well as full functionality of the goods delivered.
- 5.2. If the goods delivered are defective, current legislation shall apply provided that nothing hereinafter contradicts this. The supplier shall, according to our choosing, either supply a replacement or eliminate the defects at no cost to us or else grant us a reduction in price. In cases of urgency, we shall be entitled to take measures to eliminate the defect ourselves or through a third party or procure a substitute from elsewhere after prior consultation with the supplier. The same shall apply in cases where the supplier defaults on his obligations of guarantee. If, according to the statistical testing methods designated in the order, it is determined that the maximum permissible level of defects has been exceeded, then we shall be entitled to claim for defects for the said delivery or, at the cost of the supplier, upon informing him in advance, to test the entire delivery.
- 5.3. Return of rejected goods shall be at the cost and risk of the supplier regardless of the location of the defective goods.

6. Property and trademark rights of third parties

- 6.1. The supplier shall be responsible for ensuring that, through the use of the goods supplied by him, provided they are designed or made by him, there is no violation, directly or indirectly, of any foreign or domestic property or trademark rights or other rights which are not subject to any special legal protection and shall release us and our purchasers from all claims arising therefrom. In addition, the supplier shall be liable for any other direct or indirect damages arising for us from a violation of such rights.
- 6.2. If the supplier ascertains in respect of the manufacture of goods the possibility of violation of property or trademark rights, he must inform us of this forthwith without our having to request that he do so.

7. Aids to manufacture

- 7.1. Aids to manufacture such as drawings, models, samples, tools, gauges and such like which have been provided by us to the supplier or have been made by the supplier according to our specifications shall not be sold, pledged or otherwise transferred to others nor in any way be used for third parties.
- 7.2. If we pay the entire or vast majority of the costs to the supplier for aids to manufacture, the supplier shall transfer ownership to us. The handing over shall be replaced by an agreement that they are merely on loan meaning that the supplier is entitled to possession of the aids to manufacture until revoked by us. The supplier shall have no right of lien in respect of such aids to manufacture which are in our ownership.
- 7.3. The supplier shall bear all costs of insurance, care and maintenance, repair and replacement of those aids to manufacture provided by us, manufactured according to our specifications or for which we have paid the entire costs or the majority thereof. These aids to manufacture may only be modified with our prior written consent. Upon our request, they are to be returned to us at the cost and risk of the supplier.

8. Secrecy clause

- 8.1. The supplier shall be obliged to view the order and all related commercial and technical details as trade secrets and to undertake dealings in a strictly trustworthy manner. He must also ensure that his subcontractors observe this secrecy clause.
- 8.2. In his advertising material, the supplier shall only be permitted to make reference to his business association with us if we have given our prior written consent.

9. General remarks

- 9.1. Ordering and delivery shall be exclusively subject to the legislation currently in force in the Federal Republic of Germany. There shall be no recourse to international legislation on sales or purchase.
- 9.2. Should a provision of this contract or these conditions of purchase between the supplier and ourselves become ineffective, then this shall not affect the validity of the remainder of the contract. The parties to the contract shall be obliged in good faith insofar as this is reasonably possible to replace the ineffective provision with a comparable one in terms of business success, provided that this does not result in any essential change to the content of the contract. The place of performance shall be agreed as Berlin. The place of jurisdiction shall be Berlin.