

General Terms and Conditions of Purchase (as of June 2015)

I. General – Scope of validity

- Our general terms and conditions of purchase apply exclusively; we do not accept any conflicting or deviating supplier's terms and conditions unless we expressly agree to these in writing. Our general terms and conditions of purchase apply also if we accept supplier's delivery without any reservations even if we are aware of conflicting or deviating supplier's terms and conditions. They apply also for all future business relations even if they are not expressly agreed upon once again.
- All contractual agreements between us and the supplier must be in writing.
- Our general terms and conditions of purchase apply exclusively to our relations with business undertakings.

II. Quotations – Tender Documents

The supplier undertakes to accept our orders within a period of 5 work days.

III. Prices – Terms of Payment

- The price stated in the purchase order shall be binding. If no other written agreement has been made, the price shall be "free domicile" including packaging. Return shipment of empties and packaging material, unless disposable packaging, will be made freight collect at the supplier's expense.
- Prices shall be understood to be stated without the applicable VAT.
- Unless agreed upon differently in writing, we will pay the purchase price minus a 3% discount within 14 days or with a 2% discount within 30 days or net within 90 days after receipt of the invoice.
- We are fully entitled to all statutory offsetting and retaining rights. We are authorized to assign all claims arising from the purchase agreement without the supplier's consent. The supplier is not authorized to assign claims from the contractual relation to third parties without our prior written consent.

IV. Delivery – Delivery Schedules

- The supplier must perform the contractual obligation himself. Subcontracting by the supplier is admissible only with our express written consent.
- Deliveries must match the order in terms of nature and quantity, packaging etc.
- For orders not yet entirely performed, we are authorized to request changes related to design, delivery and delivery schedules provided we can demonstrate to have reasonable interest in such modifications, that the supplier has the technical capacities and abilities to implement such modifications, and that the request for such modification is feasible.
- The delivery date indicated in the order is binding.
- In case of delayed delivery, we may resort to statutory relief. We are especially entitled, after fruitless expiration of a grace period, to claim damages due to delay in addition to contract performance or to claim damages for non-performance in lieu of contract performance or to step down from the contract. In case we claim damages, the supplier is entitled to demonstrate to us that he is not responsible for the violation of contractual duties.
- Additional freight costs for rush or express deliveries required due to non-compliance with the stipulated delivery deadlines will be borne by the supplier. Same applies for additional deliveries.
- The supplier is obligated to inform us immediately as soon as circumstances arise (or as soon as he becomes aware of these) which might lead to his inability to comply with the agreed delivery schedule.

V. Passage of Risk – Documents

Unless agreed upon differently in writing, the delivery shall be made according to DDP Incoterms 2010; passage of risk becomes effective as soon as the goods have been properly delivered and received.

VI. Quality

- The supplier warrants that his goods and services have the characteristics, qualities and features specified in the purchase order and that they are in compliance with our stated specifications, drawings, samples and other descriptions.
- The supplier will perform quality inspections which are appropriate in terms of nature and scope and which meet state-of-the-art requirements.
- The supplier warrants and guarantees compliance with all statutory safety and environmental regulations applicable in Germany.
- We reserve the right to audit the supplier's production.

- The supplier hereby guarantees that products delivered to us contain no legally banned substances, in particular such as defined in the Banned Chemicals Ordinance. The said Ordinance constitutes an integral component for our Terms and Conditions of Purchase.
- The supplier hereby guarantees unvarying quality and batch consistency. Changes to packaging units require prior agreement.

VII. Inspections for Defects – Liability for Defects

- We are under no obligation to carry out an exhaustive incoming goods inspection. The goods merely require to be checked for externally recognizable transit damage, quantity discrepancies or identity of goods. We have notified defects in the delivery to the Supplier in writing immediately as soon as they are ascertained in accordance with the circumstances in the proper course of business. In this respect the Supplier waves the plea of belated notification of defect.
- We may avail ourselves without restrictions of all statutory claims for defects. In any case we are entitled at our sole discretion to demand correction of defect by the supplier or to demand delivery of new items. This shall not affect our entitlement to our right to recover damages, specifically to compensation in damages in lieu of contract performance.
- We are authorized to correct the defects ourselves at the supplier's expense in particularly urgent cases or if time is of essence.
- The period of limitation shall be 36 months starting at the passage of risk.

VIII. Product Liability – Indemnification – Liability Insurance

- If the supplier is responsible for a product defect, he is obligated to save us harmless from third-party claims for damages upon first request if the cause lies within the supplier's organizational and responsibility domain and if the supplier himself is liable in respect of rights and duties as to third parties.
- In the scope of his liability for claims as defined in sec. 1, the supplier is also obligated to refund any expenses as defined in §§ 683, 670 BGB (German civil code) and §§ 830, 840, 426 BGB, which we incur through or in context with any recall action initiated by us. We will inform the supplier - to the extent possible and reasonable - about content and scope of the recall action and will give him the opportunity to comment. This shall not adversely affect any other statutory claims.
- The supplier undertakes to take out a product liability insurance with an insured sum of 5 million € per personal injury/property damage - blanket insurance- ; should we be entitled to more extensive claims for damages, these shall not be adversely affected.

IX. Industrial Property Rights

- The supplier warrants that no third-party rights in the Federal Republic of Germany and the EU are violated in context with his deliveries.
- Should any claims be put forward against us by third parties for violation of industrial property rights, the supplier is obligated to save us harmless against these claims upon first written request. We are not authorized to come to any agreements with the third party - especially to come to an out-of-court agreement - without the supplier's consent.
- The supplier's obligation to save us harmless relates to all expenses which we necessarily incur through or in context with the assertion of claims against us by third parties.
- The supplier's aforementioned obligations to save us harmless shall not apply if the supplier manufactured the items of delivery on the basis of drawings, models or identical descriptions or specifications made available by our company and the supplier doesn't know or - in context with the products he developed - doesn't need to know that they violate third-party rights.
- The period of limitation for these rights of indemnity shall be three years starting at the time we become aware of the assertion of third-party claims.

X. Place of Jurisdiction – Place of Performance – Applicable Law

- To the extent the supplier is a trader as defined in the German Commercial Code (HGB), our registered office shall be the place of performance and exclusive place of jurisdiction for deliveries and payments (including check lawsuits) as well as all disputes between the parties related to the agreements concluded between these. However, we are entitled to bring legal action against the supplier at his registered office.

- The laws of the Federal Republic of Germany shall apply exclusively. The CISG United Nations Convention on Contracts for the International Sale of Goods as of April 11, 1980 shall not apply.

- Should one or several of the clauses of these General Standard Terms and Conditions be or become ineffective or unfeasible, this shall not affect the validity of the remaining clauses of the General Standard Terms and Conditions.