

General Terms and Conditions of Purchase

Vogelsang GmbH & Co. KG

Holthoege 10 – 14

49632 Essen/Oldenburg - Germany

Valid from 07-2017

1. Scope of validity

These General Terms and Conditions of Purchase form the legal basis of all orders we place. The Supplier's terms and conditions do not apply unless we have expressly acknowledged them in writing. The acceptance of a delivery or performance does not signify any acknowledgment of the terms and conditions of the Supplier. Our terms and conditions apply with respect to other companies and also apply to pre-existing business relationships.

2. Contract, documents, confidentiality

2.1 Orders become legally binding contracts only when we issue them in writing. Orders made verbally or by telephone require subsequent written confirmation by us. This also applies to modifications or additions to the contract.

2.2 We retain all proprietary rights and copyright to all drawings, plans, figures and other documents given to the Supplier for the purpose of drawing up a quotation or when an order is issued. The Supplier may not make any such documents accessible to third parties without our express written approval. If such documents are given to the Supplier in relation to an order, the Supplier may only use them for the purpose of executing the order. If the order does not materialize, and after an issued order has been executed, the Supplier must immediately return them to us without a formal request. Verbal statements are not binding without express written confirmation.

3. Prices, delivery, packaging

3.1 The prices agreed are binding. Prices reflect cost of delivery, including packaging and freight to the shipping address stated in the order.

3.2 Upon executing a delivery, the Supplier must notify us of this without delay by means of a shipping confirmation. Our order number must be indicated on this shipping confirmation and on any other documents and invoices relating to the execution of an order.

3.3 The Supplier must use environmentally friendly packaging materials. The Supplier is obliged to take back packaging in accordance with the specifications of Germany's Packaging Ordinance.

4. Invoice, payment

4.1 Invoices must be issued with all the necessary supporting documents and must make reference to the details of the order. Costs incurred by delays arising from non-compliance with these requirements shall be borne by the Supplier. Terms of payment in such cases shall be dated from the time of presentation of verifiable invoices.

4.2 We have the right to make payment with a discount of 3% within 21 calendar days or full payment of the net amount within 30 calendar days. These periods begin upon receipt of the invoice, but not before complete delivery or performance free of defects.

4.3 We are entitled to all statutory rights of setoff and retention.

5. Deadlines, time limits, contractual penalty

5.1 Agreed dates and time periods for delivery are binding. Adherence to these shall be assessed on the basis of the time of arrival of the delivery at the place of receipt named in the order, or the time of successful acceptance if acceptance procedures are contractually agreed or required by law.

5.2 If the Supplier becomes aware that it will not be able to adhere to the deadlines or time periods, it must immediately notify us in writing, stating the reasons and the likely delay.

5.3 We shall be entitled to exercise our statutory rights if the Supplier fails to adhere to the delivery deadlines or time periods. In particular, we have the right to demand compensation for damages in lieu of performance and to terminate the contract, should delivery delay extend beyond a suitable grace period, if required by law. We shall acknowledge early deliveries or partial deliveries only in isolated cases or if such deliveries have been expressly agreed. Otherwise we reserve the right to return the delivery at the Supplier's cost. Even in cases when we accept such deliveries, we are not obliged to early payment.

5.4 If a contractual penalty has been agreed and is incurred, we have the right to assert it up until final payment is made.

6. Passage of risk, commercial inspection, and notice of defects

6.1 The risk of loss and damage passes to us when the delivery arrives at the place of receipt, or, if acceptance procedures have been agreed or are required by law, at the time of acceptance.

6.2 In accordance with section 377 of the German commercial code (HGB), we will inspect the delivery and notify the Supplier within a period of eight days from the time of goods receipt of any defects found. We will notify the Supplier of any concealed defects within five days of their discovery. If a supplier quality agreement exists between the parties, the Supplier shall release the Customer from the duty of carrying out the full incoming goods inspection, and only the

quantity and visible defects shall be inspected. For every justified complaint that arises, we shall levy a blanket complaint processing fee of €120.

7. Warranty, liability for defects

7.1 The Supplier must ensure adherence to the performance undertaken and must ensure that the deliveries or services performed are free of defects. In particular, these deliveries or services must comply with the relevant legal regulations, directives, guidelines, and specifications of authorities and German employers' liability insurance associations.

7.2 In the event of defects, we shall be entitled to exercise our statutory claims for defects. In particular, we have the right to demand from the Supplier either rectification of the defect or delivery of new production, at our discretion. Any costs incurred in relation to such subsequent performance shall be borne by the Supplier. We reserve the statutory rights to compensation for damages, including damages compensation in lieu of performance, and to assert claims under warranty.

7.3 In cases carrying a risk of excessively high damages or are otherwise particularly urgent, we have the right to undertake rectification of defects at the Supplier's cost if we have attempted to contact the Supplier without success. This does not release us from the obligation to inform the Supplier of such measures without delay.

7.4 The period of limitation for claims for defects is 36 months unless a longer period is required by law. This period begins from the passage of risk, but is suspended during negotiations regarding a defect, and is restarted when the Supplier acknowledges a defect.

8. Product liability, exemption from third-party claims, insurance

8.1 If claims arising from product liability regulations are made against us due to a faulty product, we have the right to pass payments for damages on to the Supplier and to exempt ourselves from damages claims from third parties if the fault lies within the scope of responsibility of the Supplier.

8.2 The costs of reasonable and appropriate actions we undertake to prevent product liability damages in such cases must be reimbursed by the Supplier. We shall inform the Supplier of the nature and extent of such actions, especially in the instance of a product recall. Any statutory rights to which we are entitled shall not be prejudiced hereby.

8.3 The Supplier must adequately insure against all risks to itself arising from product liability.

9. Patents and trademarks

9.1 The Supplier is obliged to provide deliveries or services free of intellectual property rights of third parties, especially in relation to the intended use agreed under the contract.

9.2 The Supplier shall indemnify us against claims by third parties due to resulting violations of intellectual property rights and shall compensate us for all expenses incurred due to the claims of third parties if those claims arise from a culpable violation of an obligation by the Supplier or its agents. However, we will not make any undertakings nor enter into any settlements or other agreements with the claimants without prior consultation with the Supplier.

9.3 The statute of limitation for claims against the Supplier arising from a violation of intellectual property rights is five years from the time of delivery, or the time of acceptance if this is required by law or agreed.

9.4 The Supplier hereby expressly agrees to the use of its operating instructions or parts thereof and/or other graphical representations relating to the product purchased by the Customer from the Supplier, in the customer's operating instructions, other product documentation, or brochures. This shall continue to apply after the period of collaboration between the parties.

10. Retention of title, provision of materials

10.1 We hereby object to any rules or declarations by the Supplier relating to retention of title that go beyond the common retention of title.

10.2 Materials provided by us to the Supplier remain our property, as do any tools, drawings, or other documents provided to the Supplier for the purpose of entering into the contract or executing the contract. The Supplier must use any tools provided by us solely for the production and delivery of the goods/service ordered by us.

10.3 Materials provided may be processed or transformed by the Supplier for us. If the provided materials are processed together with other goods, we shall acquire joint ownership of the new item in proportion to the ratio of the value of the materials provided by us to the other processed items at the time of processing. If the provided materials are mixed inseparably with other items not belonging to us, we shall acquire joint ownership of the new item in proportion to the ratio of the provided materials to the other items at the time of mixing. If the result of the mixing is that the Supplier's items are to be regarded as the primary item relative to the materials provided by us, the Supplier shall assign proportionate joint ownership of the new item to us and shall safeguard it for us.

11. Confidentiality

The Supplier is obliged to keep all figures, drawings, calculations, documents, and other information confidential insofar as they are not generally known or publicly available. The Supplier may disclose or forward these items to third parties only with our express written consent.

12. Place of performance, choice of law, court of jurisdiction

12.1 The place of performance for the Supplier's obligations is the shipping address stated in the order.

12.2 The applicable law is that of the Federal Republic of Germany with the exclusion of the United Nations Convention on Contracts for the International Sale of Goods of April 11, 1980 (CISG).

12.3 The court of jurisdiction is the court in Cloppenburg responsible for our place of business in Essen/Oldenburg. However, we also reserve the right to file actions against the Supplier in its general court of jurisdiction, at our discretion.