

Terms and Conditions of Purchase

I. General conditions

- I-1 Our orders are subject to these Terms and Conditions of Purchase – hereinafter referred to as “GTCP”. Conditions of the Supplier which are wholly or in part divergent from or are contrary to these GTCP shall not apply, even if we do not or have not explicitly objected to them. Our GTCP shall apply even if we accept the delivery without reservation or make payments even if we are aware of the conditions of the Supplier which deviate from or are contrary to our GTCP.
- I-2 Any conditions of the Supplier deviating from our GTCP shall be applicable only if and to the extent that we have given our written consent.
- I-3 Our GTCP are applicable not only to the initial transaction with the Supplier but also to future transactions with said Supplier or his/her legal successor unless we have received an objection to this in writing.
- I-4 If special supply contracts are concluded in writing between us and the Supplier, the conditions of these contracts shall have priority over these GTCP. However, they are automatically supplemented through these.

II. Orders

- II-1 Our orders are only binding if they are issued or confirmed in writing by us.
- II-2 Without the receipt of an order confirmation from the Supplier, our orders are binding for us for the period of two weeks, starting from the date of the order.
- II-3 The delivery goods are ordered in compliance with the performance offers of the Supplier. The Supplier is obliged to check whether the designations in the order letter are correct and the material is adequate for the known purpose. Insofar as the Supplier is in doubt, he/she is obliged to consult with us about the intended purpose of the contractual perfor-

mance. The Supplier shall provide the full warranty for the suitability of the performance for the designated purpose. Unless agreed to the contrary, the Supplier shall provide the best material and workmanship.

- II-4 The Supplier may not pass on our orders for the purpose of fulfilment to third parties without our consent.

III. Order confirmation

- III-1 For the order to be considered valid, the Supplier must accept the order in writing within the period specified under II.2.

IV. Prices

- IV-1 Unless otherwise agreed, the prices stated in our order are binding and valid plus any turnover tax/ value-added tax that may be applicable.
- IV-2 Except when otherwise agreed, the agreed prices include all services connected with the supply of the goods, i.e. in particular packaging and transport to the agreed place (the purchaser's place of receipt) excluding tariffs and domestic taxes.

V. Payments

- V-1 Unless otherwise agreed, our payment shall be made within 14 days after receipt of goods and receipt of invoice with a discount deduction of 2% of the invoice amount.
- V-2 Any payments made shall not exclude possible existing claims due to defects, especially hidden defects of the delivered goods.

VI. Invoicing

- VI-1 Invoices shall be submitted in the demanded number of copies after each delivery or service. The invoices shall contain the data on the delivery or freight bills. If the goods arrive later than the invoice or if the invoice is incomplete, the payment and

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discount deduction period shall be calculated at our discretion from the date of receipt of the goods or the receipt of the duly issued invoice.

VII. Prohibition of assignment

VII-1 Without our prior written consent, which we will not withhold without reason, the Supplier is not entitled to assign his/her claims against us to a third party or have them collected by a third party. In case of an extended retention of title the consent shall be considered to be granted.

VIII. Rights of offsetting and retention

VIII-1 We claim all statutory offsetting and retention rights to which we are entitled.

IX. Delivery times

IX-1 Delivery dates stated by the Supplier are binding. If a date has been agreed upon for a delivery [and this date is not met], the Supplier is considered to be in arrears without a reminder.

IX-2 The Supplier is obligated to notify us in writing immediately after becoming aware of circumstances that could delay the timely delivery; the Supplier must state the reasons for the delay and the prospective duration if it becomes apparent to him/her that the agreed delivery time cannot be met.

IX-3 If the Supplier comes into arrears with his delivery, we shall be entitled to the statutory claims. In particular after the fruitless expiry of a reasonable grace period, we are entitled to demand damages or to cancel the contract.

IX-4 In case of delays due to force majeure or non-culpable disruption of operations due to labour disputes, after a reasonable grace period we shall be entitled to completely or partially withdraw from the contract or to demand delivery at a later date, without the Supplier being able to assert claims of any kind against us as a consequence.

X. Delivery

X-1 Partial or excess deliveries deviating from our order are only permitted with our written consent. We will not pay for any deliveries in excess of what we ordered but will instead keep the excess goods for one week for the Supplier to collect. After that, we cannot guarantee for the whereabouts or loss of such goods.

X-2 The transport to the destination (delivery address) shall take place at the Supplier's risk. The destination specified in the order is the place of performance of all services of the Supplier. If no destination is specified in the order, Lübeck shall be deemed the place of performance.

X-3 Each delivery shall be accompanied by a delivery note including the number of copies required. Apart from the usual information, this delivery note must in particular contain our order and item number, the exact specification of the goods, the quantity and the characteristic technical data, such as dimensions, weight, and package contents. For delivery by rail or road transport the above data must also be declared on the waybill and/or other documents accompanying the goods. Foreign suppliers, when sending goods to the Federal Republic of Germany, must enclose the required customs documents along with the usual shipping documents for goods.

X-4 When delivering hazardous materials, the relevant regulations must be observed to the final destination of the goods.

XI. Transport insurance/Taking back packaging

XI-1 The conclusion of a transport insurance policy requires our prior written consent.

XII-2 If the Supplier is obliged under the provisions of the Packaging Ordinance to take back packaging, he/she must pick it up at his/her own expense at the Buyer's premises. If the Supplier wants to have the packaging sent to him/her that is supposed to be taken back, he/she shall bear the incurred shipping costs.

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XII. Inspection of defects – warranty

XII-1 For easily recognisable defects, we are only obliged to immediately inspect for defects and file a defect complaint within the framework of the legal provisions. If according to these provisions a complaint obligation exists, this shall be considered in time if we send it within a period of five working days to the Supplier via e-mail and separate registered letter after any defects of the delivery were detected or could have been detected in a mandatory inspection. Under certain circumstances a considerably longer complaint period may be applicable in the individual case depending on the nature of the delivery. This particularly applies to textile materials delivered in roll form. In these roll forms any defects usually first come to light when the materials are unrolled during the production process. For roll goods of this type, such as non-woven materials, textiles, paper and paper-like roll goods, the complaint period according to section XII.4 shall amount to 24 months after receipt of the goods in our plant.

XII-2 We are entitled in full to the statutory claims for defects. Irrespective of this, we are entitled to demand from the Supplier, at our discretion, either replacement or repair. In this case, the Supplier shall be obliged to bear all required expense and effort for the purpose of eliminating the defects or replacement. The right to compensation, even for damage to items other than the delivered items, in particular for damages arising from a failed supplementary performance, remains explicitly reserved to the legally regulated extent.

XII-3 In urgent cases, after prior notification to the Supplier, we have the right to repair damaged parts, to replace these and to eliminate the damage incurred or to have this done by third parties at the expense of the Supplier.

XII-4 The limitation period for claims of defects shall be 24 months from the transfer of risk unless a longer warranty period is legally mandatory. For supplementary performance, the new limitation period

of 24 months for claims of defects begins after completion of the rectification work or the transfer of risk. However, the new deadline only relates to the repaired or replaced part of a delivery item, if it was only necessary for this dependent part to be repaired or replaced.

By acknowledgment of receipt of delivery items and by acceptance or approval of submitted drawings, we do not waive warranty rights and other rights.

XIII. Exemption

XIII-1 Insofar as we are availed for violating statutory safety regulations or for other legal reasons under German federal law, in particular under the Product Liability Act, the Equipment Safety Act, the Medical Devices Act, we are entitled to demand from the Supplier reimbursement of the incurred damage to us, insofar as the Supplier's delivery or behaviour were defective, in breach of contract and the cause of the damage, unless the Supplier proves that he/she was not responsible for the defective delivery or the breach of contract. This right shall correspondingly apply in case we file claims subject to the laws of another country, insofar as the Supplier was aware when the contract was concluded that the goods shall be brought by us into this country.

XIII-2 Recourse claims against the Supplier in accordance with the above clause shall expire according to the legal requirements, however not earlier than three years after we have gained knowledge of the event of damage, insofar as our claim was based on a defective delivery by the Supplier. Insofar as recourse against the Supplier is to be expected, we will inform the Supplier of any claims against us and any measures we have taken.

XIV. Confidentiality

XIV-1 All production documents, models, samples, drawings and information – including oral information – we entrust to the Supplier in the context of our business relationship are models within the meaning of § 18 of the German Act Against Unfair Competition. They may not be made accessible to

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third parties nor used for own purposes that are not covered by the contract. Without our written consent, items we have provided to be used at the Supplier's disposal may not be given by the Supplier to third parties neither for inspection or use. Correspondingly, this applies to goods manufactured using our information; these goods may not be made accessible to third parties neither in the raw state nor as half-finished or finished products.

XIV-2 For the rest, the Supplier is obliged to maintain confidentiality regarding our technical and commercial knowledge requiring nondisclosure, even beyond the duration of the contract. The obligation to confidentiality does not apply to generally known knowledge and ends in any case after its first public announcement, if this was not caused by a breach of contract by the Supplier.

XIV-3 A breach of the aforementioned confidentiality entitles us to withdrawal or immediate cancellation of all existing supply contracts, without the Supplier being entitled to a claim for compensation of damages, fulfilment or payment for not yet delivered goods.

XV. Retention of Title – Provision

XV-1 All production documents, models and patterns made available to the Supplier by us for the production of a particular product as well as drawings made by the Supplier according to our specifications shall remain our property. If we demand this due to the status of the execution of the order or due to the Supplier's breach of these Terms and Conditions of Purchase, all copies and reproductions must be handed over immediately to an individual designated by us. After completion of the order these shall be returned to us without any request. The same applies if a delivery does not occur.

XV-2 The materials and tools provided by us, in particular stamping tools, presses and plastic injection moulds shall remain our property. The provided items shall be stored by the Supplier clearly and separately as our property. The Supplier is obliged

to use them exclusively for the production of the goods ordered by us and maintain them at his/her own expense. Furthermore, the Supplier is obliged to adequately insure them against fire, water, theft and disasters at the Supplier's own expense.

XV-3 In the case of materials provided by us, the Supplier shall carry out the processing or remodeling for us. If processing or mixing takes place with items that do not belong to us, we shall acquire a share of the joint ownership of the new item in proportion to the value of our item to the value of the other processed items at the time of processing.

XV-4 Upon payment, the tools, moulds and equipment (means of production) shall become our unrestricted property even if the Supplier uses the phrase "proportionate tool costs" or similar expressions.

XV-5 The Supplier is obliged to handle the means of production with care and to ensure that these are always operational according to the latest specifications. After completion of the contract these must be kept by the Supplier at no extra charge for the Orderer. The storage obligation replaces the required transfer of ownership for the means of production.

XV-6 We have the right at any time to retrieve the means of production after completion of a contract with the Supplier. Apart from this, the retention obligation of the Supplier shall end only after prior consultation with us.

XVI. Data storage

XVI-1 To the extent necessary for processing the transaction, the Supplier agrees to having his/her order-related data stored and processed further internally without, however, being disclosed to third parties.

XVII. Place of jurisdiction and applicable law

XVII-1 Within Germany: As far as legally permissible, the place of jurisdiction is Lübeck. However, we are also entitled to sue in the Supplier's place of jurisdiction.

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XVII-2 Internationally: The material and procedural laws shall be effective, as far as legally possible excluding UN Law on the International Sale of Goods. The place of jurisdiction is Lübeck. However, we are entitled to sue in the Supplier's place of jurisdiction.

This document is an English translation of the original Einkaufsbedingungen der CLEAR & CLEAN Werk für Reintechnik GmbH. In the event of any discrepancies arising between the German and English versions, the German version shall take precedence over the English version.

Clear & Clean
Werk für Reintechnik GmbH

The Managing Directors
(As of: January 2014)