

Conditions for purchasing and procurement

§1 Generalities

These conditions for purchasing and procurement will exclusively be valid for all deliveries and performances (performances in the following) made to us by contractors. They will also be valid for all future commercial relations between us and the contractor, within the scope of which we will receive goods or other performances – globally deliveries in the following – from the contractor, even in those individual cases in which these conditions are not being specifically mentioned or referred to. We herewith expressly object to general sales or other business conditions from the contractor. They will continue not to be valid even in those cases in which we will not expressly object to them within the scope of future contracts.

§2 Delivery

1. All purchasing contracts and other procurement measures are subject to Incoterms 2010, DDP, at the address of delivery we will indicate. When no particular address of delivery is indicated, the valid delivery address will be that of our works (Vilsendorfer Str. 50, D-33739 Bielefeld). However, fabric supplies will be delivered to our logistics centre (Webereistraße 1-5, D-32139 Spenge). The contractor will carry all packaging costs for his deliveries.
2. Deliveries must take place at the agreed date. Keeping of the deadline for deliveries is a main contractual commitment for the contractor.
3. In case the contractor thinks that delivery will not be in time, either partially or totally, he will write to us at once to let us know about this, indicating the reasons and the probable duration of the delay. This will not affect the contractor's commitment to reimburse any damages caused by delays.

§3 Invoices / payments / contract penalties / right of retention

Two copies of invoices will be sent separately, that is, not together with the delivery of goods.

Payment will be according to our choice through bank transfer or through counterbalancing against contractor's claims, or by means of cheque. Payment will not mean acceptance as fulfilment of the order. The following conditions will be valid, beginning with fulfilment free of faults and receipt of invoice:

- ▶ Payment within 10 days with 4 % cash discount and
- ▶ Payment within 30 days with 2 ¼ % cash discount and
- ▶ Payment within 60 days net.

We are entitled to claim contract penalties up to the date of fulfilment of the performance due to us (payment), at least till the end of the 10th working day after delivery of goods, also in those cases in which we have not claimed our right to do so at reception. We shall be entitled to rights of offset and retention within the limits foreseen by the law.

§4 Claims for faults

We are entitled to legal claims for faults within the limits foreseen by the law, however, within the following conditions:

- ▶ In case of post fulfilment, we will be entitled to choose between corrective measures or renewed delivery.
- ▶ The period of limitation for material and legal faults is 36 months, unless the law provides for longer periods of limitation.
- ▶ If the contractor's delivery is used for a building, in agreement with its usual form of utilization, and if it causes faults to this building, the period of limitation will be at least five years and six months.

§5 Providing materials

1. Insofar as we provide goods to the contractor or send him goods to be refined – in the following globally provision of goods – we will reserve the right of ownership for these.
2. Processing or changing of the provided goods through the contractor will be carried out for us as manufacturer in the sense of § 950 GBG. If provided goods are processed together with other mobile objects which do not belong to us, we will acquire joint ownership of the new object according to the relation of the value of provided goods to the other processed objects at the time of processing.
3. If provided goods are combined with or connected to other mobile objects in such a way that they cannot be separated again, we will also acquire joint ownership of the total object within the above mentioned relation at the time of combination or connection. If these are carried out in such a way that the objects which do not belong to us must be considered to be the main object, it will be deemed to have been agreed that the contractor will transfer joined ownership to us within the above mentioned relation at the time of combination or connection.
4. The contractor will identify our sole and joint propriety and will store it separately and carefully for us.
5. Provided materials may only be used to fulfil the corresponding contract concluded with us.

§6 Obligatory examinations of provided materials

The contractor must commit himself to the following:

- ▶ all materials made available by us must be checked as to their identity, wrong quantities or any other evident faults, insofar as this is possible according to correct
- ▶ business conditions,
- ▶ to let us know about faults at this time or later, before processing begins, and
- ▶ in this case, to wait for our instructions.

Notifying of defects should be in written form, insofar as possible.

§7 Miscellaneous

The assignment of contractor's payment claims is inadmissible. Ownership of goods delivered by the contractor will pass over to us at the moment of payment. Extended or prolonged reservations of rights of ownership are inadmissible.

§8 Right of use – Complementary purchase of software

When contractor's performances consist in selling software or in conceding rights of use for a software (licensing), the contractor will concede us an irrevocable and exclusive right for the use of this software, totally or partially, for all possible utilisations, including its modification and processing, without any time or space limits.

§9 Place of performance, place of jurisdiction and choice of applicable jurisdiction

1. The address of our company headquarters will be the place of performance for all obligations resulting from the contract.
2. If the contractor is a businessman or a legal person under public law, or under special public funds, or if he has no general place of jurisdiction within this country, the place of jurisdiction shall be Bielefeld. We shall also be entitled to sue the contractor at his general place of jurisdiction.
3. German law will apply, as between two parties with headquarters in Germany, excluding the unitary UN right of purchasing (CISG).