

General Conditions of Purchase

of MANTZ airmotions GmbH & Co KG, Hacketäuerstr. 4, 42651 Solingen

1. General Area of Validity

- 1.1 The following Conditions are applicable to all offers, deliveries, and services of our suppliers for rent and purchase and all others including those from business transactions and continuing obligations in the future. Any of the supplier's contradictory terms and conditions or those deviating from these Conditions will not be recognised unless we have expressly agreed to their validity in writing. These General Contract Conditions are also applicable if we accept a delivery from the supplier without reservation with the knowledge of conditions that contradict or deviate from our Conditions. Even if we refer to a letter that includes terms and conditions of the supplier or a third party or refers to such, this does not represent agreement with the applicability of such terms and conditions. All agreements between us and the supplier for the purpose of implementing this contract are to be written down in this contract.
- 1.2 The validity of the general terms and conditions of the supplier is expressly excluded.
- 1.3 Our Conditions of Purchase are only applicable to companies in the sense of Section 210 para. 1 of the German Civil Code (BGB). Our Conditions of Purchase also apply to all future transactions with the supplier.

2. Marketability / REACH

- 2.1 The supplier guarantees for the entire period of delivery that the Contractual Products comply with the respective Product Specifications and the presented samples. Should no Product Specifications be agreed for a Contractual Product, the contents of the promise are the respectively applicable separate quality agreements between the contractual parties in conjunction with the presented samples.
- 2.2 In the event that and insofar as there are neither Product Specifications nor an express special quality agreement with regard to the Contractual Product, the Contract Company expressly guarantees as a minimum standard that the goods comply with the relevant legal regulations in Germany and other European Countries in every way, in particular with regard to composition, ingredients, labelling, and configuration and are therefore marketable without restrictions in Germany and other European Countries or abroad. In the event of changes to technical standards or those related to product safety, the goods are only to be produced and delivered pursuant to the new requirements from the day the change comes into effect on - regardless of whether the new standards grant transition periods for the old goods.
- 2.3 The supplier has installed a corresponding system that verifiably ensures that any contamination whatsoever of the used raw materials and the finished product is excluded. This also applies to shipping, in particular if the product intended for us is shipped together with products from other companies. The Supplier shall make the corresponding proof available to us upon request immediately and grant us a look at the corresponding documents for the purpose of checking the coherence of the system in the producing plant.

Should the European legal regulations or those of specific countries change, the supplier's guarantee that the products have to be provided in such a way that no labelling duty is prompted remains in effect, and the product labelling must continue to comply with the applicable statutory regulations. If this requires a non-insignificant change to the manufacturing or composition of the products, then the supplier is to report this to us without delay.

2.4 The supplier shall ensure that all registration duties that result from the regulation (EC) no. 1907/2006 (REACH) are fulfilled in a timely, complete, and correct manner and shall present us with the corresponding documentation as verification upon request. In order to fulfil the duties to inform consumers pursuant to the regulation (EC) no. 1907/2006 (REACH), the supplier shall give us the data about the chemical substances of very high concern required by the regulation. Authoritative for this is the official candidate list: "REACH Candidate List of Substances of Very High Concern for Authorisation Grows" which can be viewed in the Internet at http://www.echa.europa.eu/chem_data/authorisation_process/candidate_list_table_en.asp or the official, updated list that follows. The required data are to be presented to us at the latest 4 weeks before the first delivery of the concerned item. For subsequent changes and additions to the candidate list, the supplier guarantees that it can provide the required data within 15 workdays upon request for all of the items it delivers to us. If there are changes at a later point in time to any defined Product Specifications on the part of the supplier, we are to be informed about them without delay, without being requested, and in writing.

3. Orders, Order Documents

3.1 The supplier can accept our order within a period of two weeks; after that we are no longer bound to our order. Authoritative for acceptance in a timely manner is receipt of the declaration of acceptance by us.

3.2 We are entitled to change the time and place of the delivery and the kind of packaging at any time by means of written announcement with a notice period of at least 90 calendar days before the agreed delivery date. The same applies to changes to product specifications insofar as they can be executed by the supplier in the scope of the normal production process of the supplier without significant additional time and effort, but in these cases the notice period for the clause above amounts to at least 120 days. We will reimburse the supplier for the respectively arising, proven, and reasonable additional expenses arising on account of the change. Should such changes result in delivery delays that cannot be avoided in normal production and business operations of the supplier with reasonable efforts, then the originally agreed delivery date is delayed in the corresponding manner. The supplier will report to us in writing the expected additional expenses or delivery delays as estimated in a careful manner in a timely manner before the delivery day, at a minimum, though, within 10 workdays of receipt of our announcement pursuant to clause 1.

3.3 We are entitled to terminate the contract at any time in writing with indication of reason if we can no longer use the ordered products in our business operations on account of arising circumstances that were unforeseeable at the time of conclusion of the contract. In this case, we will reimburse the supplier for the partial performance made by it.

3.4 We retain our rights of ownership and copyrights to depictions, drawings, samples, calculations, and other documents; they may not be made available to third parties without our express written agreement. They are solely to be used for producing our order; after the order has been processed they are to be returned without being requested. They are to be kept secret from third parties. With regard to this, no. 5.4 and 5.5 of these Conditions are additionally applicable.

3.5 We do not pay remuneration or reimbursement for visits or working out offers, projects, etc.

4. Prices

4.1 The price listed in the order is binding. Unless there is no other agreement in writing, the price includes delivery free to door including packaging, freight, insurance, and other ancillary expenses. Return of the packaging and other means of transportation (such as pallets) requires a separate agreement.

4.2 The statutory value-added tax is not included in the price.

4.3 Payment occurs, according to our choice, by means of collection only check or bank transfer to the bank account or postal giro account of the supplier. Authoritative for the payment are the amounts, weights, or other units of calculation that we determine.

- 4.4 If instalment or advance payments are made, ownership of the share of the goods or service corresponding to the value is transferred to us upon receipt of the payment by the supplier without prejudice to any other securities as the case may be.
- 4.5 We can only process invoices if they - corresponding to the guidelines in our order - indicate the listed order number. The supplier is responsible for all consequences of non-compliance with this duty insofar as it does not prove that it is not responsible for this.
- 4.6 Insofar as nothing else has been agreed in writing, we shall pay the purchase price within 14 days calculated from the day of delivery and receipt of the invoice with deduction of a 3% trade discount or within 60 days of receipt of invoice net.
- 4.7 We are entitled to rights to set off and rights of retention after they have been claimed in writing, even if the supplier disputes these claims.
- 4.8 In the event of payment arrears we only owe interest on arrears in the amount of 5% points above the base rate pursuant to Section 247 BGB.

5. Delivery, Transfer of Risk

- 5.1 The supplier is obligated to indicate our exact order number on all shipping documents and packing slips; if it fails to do this delays in processing for which we are not responsible are unavoidable.
- 5.2 The delivery period indicated in the order is binding, just as the amounts, weights, and numbers set by us are.
- 5.3 In the event of a delay in delivery, we are entitled to the statutory claims. The supplier is obligated to inform us in writing without delay if circumstances arise or become known to him from which it arises that the determined delivery period cannot be adhered to. In doing so, the supplier cannot invoke unforeseeable or unusual events, in particular official interventions, operational disturbances, measures in the scope of labour disputes, such as strikes and lockouts, any delays in the supply of adjuvant or accessories, in particular from subcontractors. If the delay of delivery hinders our duty to accept in a way that is not reasonable for us, we are entitled to withdraw from the contract immediately.
- 5.4 If the supplier is in arrears with the delivery, it is to pay damages even in cases of simple negligence. This also applies to damages that are not typical of the contract and thus not foreseeable. The compensation for arrears of the supplier is not limited. It is obligated to compensate us for the damages that actually arose in the statutory scope. In particular, we are entitled to demanding damages instead of performance after a reasonable period and/or withdraw from the contract. If we demand damages, the supplier has the right to prove that it is not responsible for the breach of duty.

Damages in addition to or instead of the performance are to be compensated for by the supplier in the actual amount even in cases of simple negligence.

- 5.5 We are entitled to demand damages instead of performance or to withdraw from the entire contract even in cases of partial performance arrears or partial impossibility of performance.
- 5.6 Insofar as nothing else is agreed in writing, delivery is to occur free to door. Therefore, the risk of accidental loss is only transferred to us with the handover of the item to us.
- 5.7 The supplier is not entitled to make partial deliveries without our prior written agreement.
- 5.8 In the event of delivery arrears after prior written warning of the supplier, we are entitled to demand a contract penalty in the amount of 0.5% for each begun week of delivery arrears up to a maximum of 5% of the respective contractual value. The contract penalty is to be credited against the damages on account of arrears to be reimbursed by the supplier.

6. Security Storage/ Security Inventory

- 6.1 The supplier is obligated to keep the Security Inventory named in the Product Specifications or the Order in the inventory at all times and give us a weekly written overview about the amounts of the corresponding items. Should we have product shortfalls or be unable to deliver to our customers on account of the lack of the agreed Security Inventory, the Contractual Partner is to bear the corresponding expenses. In doing so, MANTZ shall charge a 10% administrative fee on top of its own expenses.

7. Quality of the EAN-Codes

- 7.1 In the event that an EAN barcode must be applied to a product, the Contract Company is to ensure that the barcode quality is at a minimum of B (3) pursuant to CEN/ANSI DIN EN 1635; furthermore, DIN EN 797 is to be fulfilled. This does not apply to flexoprinted corrugated card board.

The supplier guarantees that the goods will be furnished with an EAN barcode in the agreed manner. If the goods are furnished with the incorrect EAN barcode contrary to the guarantee above, we are entitled to charge a contract penalty in the amount of up to €25,000.00 per order. The contract penalty only then not to be paid if the supplier proves that it or its assistants (in particular its subcontractors) are not responsible for the incorrect EAN barcode having been applied. In deviation from Section 341 para. 3 BGB, we do not have to claim the contract penalty until payment of the purchase price by our customer. We remain at liberty to claim additional damages taking the contract penalty into account.

8. Retention of Ownership, Provision, Tools

- 8.1 Insofar as we provide tools to the supplier, we retain ownership of them. Processing or alteration by the supplier is done for us. If the item provided by us is mixed with other objects that do not belong to us in an inseparable manner, we thus obtain co-ownership of the new item in the relationship of the value of the item subject to retention of ownership (purchase price plus VAT) to the other mixed objects at the time of the mixing.

If the mixing occurs in such a manner that the item of the supplier is to be seen as the main item, it is considered agreed that the supplier shall transfer proportionate co-ownership to us; the supplier shall protect the sole ownership and the co-ownership for us.

The supplier is obligated to hand over items that are our property to us in orderly condition when they are no longer needed for fulfilment of the contracts concluded with us.

- 8.2 We retain ownership of the tools; the supplier is obligated to use the tools solely to manufacture the goods we ordered. The supplier is obligated to insure the objects named above that belong to us at their new value against fire, water, and theft at its own expense. At the same time, the supplier already assigns all of its claims for compensation from this insurance to us now; we hereby accept this assignment.

It is obligated to carry out all necessary maintenance and inspection work at its own expense. It is to inform us of any breakdowns immediately; if it fails to do so in a culpable manner, claims for damages remain unaffected.

- 8.3 If we provide our own software or software from another company, the supplier is hereby obligated to keep the software strictly confidential. Its people entrusted with the work or software are to be obligated to confidentiality in accordance with the contract. In this case, the supplier is entitled to make a backup copy of the software provided by us and store it in a secure place removed from the access of third parties. After the work has ended, the supplier is to delete this backup copy and guarantee this deletion in lieu of oath in writing.

- 8.4 The supplier is obligated to keep all depictions, drawings, calculations, and other documents and information received strictly confidential. They may only be disclosed to third parties with our express agreement in written form.

The obligation to confidentiality also applies after phase out of this contract. Upon request, the supplier is to return the depictions, drawings, calculations, and other documents left for it to us.

- 8.5 Retentions of title of the supplier are only applicable insofar as they relate to our duty to pay for the respective products to which the supplier retains title. Expanded or prolonged retentions of title are not allowed.

9. Inspection for Defects, Liability for Defects

- 9.1 The supplier is responsible for all of the objects that it delivers and all of the services it performs complying with the state of the art of science and technology, the relevant legal provisions within the European Community or the intended regions of sale and use, the regulations and directives of authorities, professional associations, and industry associations, and the functions and specifications specified by us.

The compliance with these provisions is to be proved upon our request by presentation of the corresponding test reports, analysis certificates, or acceptance logs.

Acceptance logs of the professional associations or other technical testing bodies are to be provided free of charge insofar as this is necessary for further processing or sale of the products.

- 9.2 The supplier is to carry out quality controls that are suitable with regard to kind and scope and in correspondence with the latest technology as well as to prepare documentation about all relevant production data and hand a quality control log over to us upon our request.

In the case of product damages or product liability claims made against us, the supplier is obligated to make it possible to prove the defect-free nature of the product by means of presentation of documentation or other suitable documents upon our request. The supplier shall ensure the conclusion and maintenance of a public liability insurance policy with adequate insured sums, and will provide proof upon request.

- 9.3 We are obligated to inspect the goods within a reasonable period for any quality and quantity deviations; the period allowed for examining and sending notice of a defect in this regard amounts to at least seven workdays calculated from receipt of goods, or - in the case of hidden defects - from the discovery of the respective defect. This is without prejudice to Section 377 para. 4 HGB.

Any agreements on duties to examine and send notice of defects from a quality assurance agreement concluded between us and the supplier remain unaffected.

- 9.4 We are entitled to the statutory claims for defects in full; in any case we are entitled to demanding rectification of the defect or delivery of a new item from the supplier according to our choice. The right to damages, in particular for damages instead of the performance, remains expressly reserved.

- 9.5 We are entitled to carry out the rectification of defects ourselves at the expense of the supplier if there is imminent danger or particular urgency.

- 9.6 The limitation period amounts to at least 36 months if the law does not intend for a longer limitation period in individual cases. The beginning, interruption, constraint, suspension etc. of the limitation period are based on the statutory provisions.

- 9.7 The receipt of our written notice of defects by the supplier pauses the time barring of warranty claims. In the event of replacement delivery or rectification of defects, the warranty period for replaced or improved parts begins anew.

10. Liability, Product Liability, Exemption, Liability Insurance Protection

- 10.1 The supplier is liable to the full legal extent for reimbursement of damages that are caused by it, its legal representatives, employees, or managers.

- 10.2 Insofar as the supplier is responsible for product damages, it is obligated to exempt us upon first request from the claims for damages of third parties insofar as the cause is in its sphere of control and organisation and it is liable itself in external relationships.

- 10.3 In this scope, the supplier is also obligated to reimburse any expenses pursuant to Sections 683, 670 BGB or Sections 830, 840, 426 BGB that arise from or in conjunction with a recall conducted by us. Insofar as reasonable, we will inform the supplier about the contents and scope about the recalls to be carried out and give it the opportunity to respond. Other legal claims remain unaffected.
- 10.4 The supplier obligates itself to maintain a product liability insurance policy with an insured sum of €4 million per personal injury/damage to property - lump sum; if we are entitled to additional claims for damages, these remain unaffected.
- 10.5 Rights of recourse towards the supplier pursuant to the statutory provisions on product liability do not become time barred earlier as our own obligations towards third parties.

11. Set Off / Right of Retention

- 11.1 We are entitled to set off, even with disputed claims.
- 11.2 We are entitled to a right of retention to the extent of the law.

12. Prohibition of Assignment

- 12.1 The rights of the supplier from the transactions made with us are not assignable without our written agreement.

13. Data Privacy

- 13.1 The supplier is in agreement that we save and automatically process personal data of which we become aware in the scope of the business relationship in our IT system.

14. Industrial Property Rights

- 14.1 The supplier is responsible for no third party rights in the countries of the European Union, North America, or other countries in which it manufactures products or has them manufactured being infringed in conjunction with its delivery. It is obligated to release us from all claims that third parties make against us on account of infringement of such property rights and reimburse us for all necessary expenses in conjunction with these claims. This claim is without prejudice to culpability on the part of the supplier.
- 14.2 If a third party makes a claim against us for that reason, the supplier is obligated to indemnify us from these claims upon the first written request. We shall inform the third party without delay about such a claim and leave the decision solely to the supplier of whether the claim is to be recognised, disputed, or settled. In the event of a court case, we shall give the supplier third party notice.
- 14.3 The duty of the supplier to indemnify is related to all expenses that necessarily arise for us from or in conjunction with the third party claim. These include in particular the expenses for representation by a lawyer.
- 14.4 The limitation period amounts to 10 years, calculated from conclusion of the contract.

15. Business Social Compliance Initiative (BSCI)

- 15.1 It is important to MANTZ that the production of goods for its customers occurs with consideration for social and ecological standards across the supply chain. Therefore, we have obligated ourselves to adhere to the BSCI Code of Conduct. We assume that the supplier takes note of, observes, and stays informed about future changes to this "Code of Conduct", which is available in its current form at <http://www.bsci-eu.org/index.php?id=2034>, without being requested insofar as no written contrary announcements are received from the supplier.

16. General

- 16.1 The invalidity of one provision of this contract shall not affect the validity of the rest of the contract. The statutory regulation shall take the place of the invalid clause.
- 16.2 Agreements that deviate from or are in addition to the conditions above are only valid in the form of a written ancillary agreement to the contract concluded by the parties in which the changed conditions are referred to. The waiver of this requirement for the written form also requires the written form.
- 16.3 Our registered office is the place of performance and legal venue.
- 16.4 The laws of the Federal Republic of Germany are solely applicable to contractual relationship. The application of the UN Convention on Contracts for the International Sale of Goods is expressly excluded. This also applies if the supplier has its registered office abroad.

Solingen, March 2013