



General Terms and Conditions of Purchase of friedola 1888 GmbH (friedola)

I. General provisions

All offers, deliveries and performances directed at friedola and any contracts concluded as a result thereof shall be governed exclusively by these General Terms and Conditions of Purchase (**GT&CPs**). The contract partners (hereinafter - Suppliers -) are exclusively natural persons or legal entities who act in their capacity as commercial or self-employed parties within the meaning of Section 14 BGB [*Bürgerliches Gesetzbuch - German Civil Code*] (entrepreneurs). When concluding a legal transaction, the Suppliers are bound by these GT&CPs of friedola. Any deviating and/or supplementary terms and conditions of the Suppliers are non-binding for friedola unless friedola has consented to the same in writing. However, any such individual, deviating agreements shall have no effect for future transactions. Likewise, any contradictory terms and conditions of the Suppliers shall not apply, even if friedola fails to contradict the same in any individual case. With the acceptance of the orders from friedola or the conclusion of supply contracts, the Suppliers recognise these GT&CPs of friedola as binding.

II. Placing of orders / Acceptance of orders

Orders from friedola must, in order to be effective, be made in written form, duly signed, on our order forms. All offers made by the Suppliers shall meet the exact enquiries and requirements of friedola and shall be made free of charge and without obligation. Should any order from friedola be incomplete or contain an error, the Supplier shall inform friedola hereof without delay following discovery of the lack of details or of the error. Any deviations from friedola's order are to be clearly marked by the Suppliers upon acceptance of the order and, in case of doubt, shall be deemed to constitute a new offer to friedola by the Supplier, whereby any supply contract shall then only be formed upon written confirmation by friedola in response to this offer from the Supplier. friedola shall be entitled to cancel orders in writing free of charge if the Suppliers fail to confirm this order in writing within 5 working days. Call-offs shall be binding unless the Supplier promptly raises any objection.

III. Prices / Payment

The prices set out in the orders placed by friedola are binding and apply free house (DDP destination pursuant to INCOTERMS 2010) to the delivery address specified by friedola, whereby this also represents the place of performance. The prices shown in the order are quoted without the applicable value added tax. Ancillary costs such as delivery charges and packaging material are included in the price, whereby any additional costs or costs arising subsequently and any increased prices shall only be effective if friedola expressly consents to the same in writing. The Suppliers are obliged to quote the order number, friedola's article number and the designation of the article in the respective shipments, whereby friedola will make its payments by bank transfer following complete delivery and receipt of the relevant invoice within the individually agreed payment period.

We request invoices to be sent separately in duplicate by post, quoting the respective order number; the duplicate is to be clearly marked as such. On no account may invoices be enclosed with the goods. Electronic invoicing is possible. The framework conditions necessary for this are to be agreed in detail with friedola in writing beforehand.

Payment by friedola in settlement of the invoice rendered by the Supplier does not constitute any acknowledgement of the delivery made; without prejudice to its other rights, friedola reserves the right, in the event of a faulty delivery, to withhold payments until all claims arising from the supply transaction have been performed in full.

Within the scope prescribed by law, friedola shall be entitled to exercise rights of set-off and withholding against claims of the Suppliers for payment. Without the prior written consent of friedola, the Supplier shall not be entitled to assign its claim against friedola or to have the same collected by third parties, whereby Section 354a HGB [*Handelsgesetzbuch - German Commercial Code*] remains unaffected hereby. Should the Supplier have its claim collected by third parties with the agreement of friedola, friedola may not incur any costs as a result.

IV. Delivery / Delivery period / Default

The Supplier shall be obliged to enclose a delivery note with the corresponding details as to contents, nature of the contents, the quantity and also the order number, whereby this delivery note does not serve as an invoice. As a basic principle, delivery is to be made as a delivery of the entire order; the Supplier shall only be entitled to make part delivery with the prior written agreement of friedola.

Unless agreed to the contrary, the place of performance for the delivery shall be the location of friedola which is quoted in the order as the delivery address.

The delivery periods agreed in the order are binding. In the case of delays, the Supplier shall notify friedola without delay in writing. Should the Supplier fall into default with the agreed delivery date, friedola shall be entitled to the statutory warranty rights which, in addition to the right to terminate the contract and to demand damages, also provide for the possibility of substitute performance at the expense of the Supplier. Where the Supplier is in default with the delivery, either in whole or in part, this shall entitle friedola to demand a contractual penalty in the amount of 0.2 % of the value of the delivery per working day of the default, subject, however, to a maximum of 5 %. These rights of friedola exist irrespective of any fault on the part of the Supplier.

V. Shipment / Passing of risk

The Supplier bears the transport risk and is accordingly obliged to ensure the use of packaging appropriate for the transport and to provide for transport safety in compliance with the stipulations noted in the order. The Supplier furthermore undertakes to arrange for adequate insurance for the transport of the goods and shall be obliged to provide friedola, upon its first request, with proof of the insurance.

Subject to any deviating arrangements agreed individually between friedola and the Supplier, friedola reserves the right to determine the method of shipment and type of packaging and also the choice of the means of transport for the delivery, whereby the Supplier is to bear the costs of shipping and packaging and must also ensure the return and recycling of the transport packaging free of charge. Where delivery is made free house, friedola will be responsible for the unloading. Where special personnel or separate equipment needs to be deployed for the unloading, the costs arising in this connection are, subject to any special agreement, to be borne by the Supplier. friedola will not reimburse Insurance costs; insurance costs which arise for the carriage of goods outside the Federal Republic of Germany are deemed to be included in the price. Up until acceptance of the delivery by friedola at the agreed destination, the Supplier shall bear the risk of accidental loss.

VI. Foreign trade provisions / Origin of goods

friedola places the order on the condition that the goods to be delivered are a product originating from the European Union and that this will be confirmed by the Supplier prior to delivery of the goods through a correct long-term supplier's declaration for goods with preferential origin status under the applicable provisions, specifying details of the country of origin and the correct customs tariff number. Formal provisions concerning supplier declarations can be viewed under www.zoll.de. The Supplier undertakes to inform friedola 1888 GmbH in due time in writing in the event of any changes to the origin of the goods and/or of the customs tariff number and to attach the relevant documents. Should goods be delivered which deviate from the above-mentioned condition, friedola shall have the options of refusal of acceptance, rescission of the contract of purchase, delivery of substitute goods and also the assertion of claims for damages for the damage suffered by friedola arising from the further processing of non-preferential goods.

The Supplier shall be obliged in the case of deliveries from an EU state outside Germany to comply with the rules existing under the customs regulations, in particular to quote the EU value added tax identification number. The Supplier shall also be obliged in the case of deliveries from third countries to deliver the goods duty paid or, in agreement with friedola, to prepare this through timely presentation of the import documents. In this connection, friedola is to be provided with correct details of the description of the goods and the customs tariff number. The Supplier shall also be obliged to allow customs authorities to carry out inspections and to present requested documentation for customs inspections. In relation to deliveries of goods requiring authorisation under the respectively valid customs regulations, the Supplier shall be obliged to inform friedola in writing prior to delivery of the goods, attaching relevant documentation.

VII. QM system

In regard to supplies, our current QM Guidelines apply; these can be downloaded from the home page www.friedola.de. Upon request, friedola will also provide the Supplier with these Guidelines in written form. friedola expects that the Supplier has a functioning QM system of its own and that in respect of all its deliveries it can deliver corresponding proof of performance of the inspections necessary under this system.

The Supplier shall ensure on its own responsibility that it has inspected all goods intended for us prior to their delivery and therefore waives the goods inward check by friedola and accepts that the inspection of the goods as to possible defects will only be made immediately prior to the production or processing.

To such extent, the Supplier cannot invoke Section 377 HGB, even if it does not have a QM system in place or the goods, notwithstanding its QM system, prove to be defective. Irrespective thereof, the duty of inspection and notification of complaints begins in all cases at the earliest upon receipt of a duly issued advice of despatch or delivery note. In the case of deliveries which comprise assembly, these duties furthermore begin at the earliest at the time of acceptance.

VIII. Reservation of title

As a basic principle, the Supplier may only assert a simple reservation of title in respect of unprocessed goods unless friedola has accepted further-reaching rights in favour of the Supplier in writing. In favour of friedola, an extended reservation of title applies in relation to the material provided to the Supplier, i.e. even in the case of the processing or combination of the reserved goods provided with other objects which do not belong to friedola, friedola immediately acquires co-ownership of the newly created object in the ratio of the value of the reserved goods provided to the processed and/or combined objects at the time of the processing/combination.

IX. Environmental protection and safety

The Supplier undertakes in connection with the delivery to comply with the applicable accident prevention regulations and, at its own expense, to deliver necessary manufacturer's instructions and also protective devices for the goods to friedola together with the goods. In addition, the Supplier shall be obliged to comply with the necessary instructions issued by friedola concerning the stipulations in relation to safety, environment and fire protection on friedola's premises should the Supplier enter the same. The instructions may at any time be requested from friedola and studied.

The Supplier gives an assurance to friedola that the goods to be delivered comply with the statutory provisions governing safety and environmental protection. These include in particular the ElektroG [*Act governing the placing on the market, return and environment-friendly disposal of electrical and electronic appliances*], the Hazardous Substances Regulations and also safety recommendations issued by German expert committees such as VDE [*Verband der Elektrotechnik, Elektronik und Informationstechnik - Association for Electrical, Electronic and Information Technology*], DIN [*Deutsches Institut für Normung - German Institute for Standardisation*], VDI [*Verein Deutscher Ingenieure - Association of German Engineers*] etc. In addition, the Supplier gives an assurance that it observes the corresponding laws of the EU and the Federal Republic of Germany. In the event that the Supplier utilises hazardous or avoidance substances, such use is to be labelled and disclosed accordingly, whereby the use of prohibited substances is not admissible. The Supplier shall be obliged, at its own expense, to obtain the corresponding certifications and documentary proofs as well as safety specifications in German and English and to enclose the same with the delivery.

X. Secrecy / Rights to products

The Supplier is obliged to observe full and strict secrecy. Only following prior written confirmation by friedola may the Supplier pass on documents or other information (in particular illustrations, drawings, internal information relating to friedola, etc.) to third parties. The duty to observe secrecy continues to apply following the end of the contractual relationship with the Supplier. The Supplier shall be obliged to impose a duty of secrecy on any sub-suppliers which it may engage in the same manner as its own duty of secrecy applies in favour of friedola. Production materials, samples and confidential details of any kind provided by friedola to the Supplier may only be passed on to third parties with the prior written permission of friedola. The obligation to observe secrecy shall not apply to information in the public domain or to information which was already known prior to the conclusion of the supply contract or which has to be disclosed upon the demand of an authority under mandatory provisions.

Technical documents, tools, samples, production materials and data which have been provided to the Supplier for the manufacture of the goods ordered are to be carefully stored and maintained by the Supplier; they remain the property of friedola and may not be duplicated, published or passed on to third parties without written permission and are subject to this obligation of secrecy. These also include all trademark rights and copyrights. At the end of the supply relationship, all objects and documents are to be surrendered to friedola.

Manufactured items and products created on the basis of information and documents provided to the Supplier are the sole property of friedola, whereby any use and/or publication requires an express written agreement.

In the event that the Supplier creates products within the scope of the supply contract, friedola will receive all proprietary rights and rights of use and exploitation attaching thereto without separate remuneration. Accordingly, friedola reserves to itself all information rights such as copyrights, patents and rights of use in regard to such inventions, whereby this also applies vis-à-vis third parties outside this agreement.

XI. Freedom from material defects and flaws in legal title

For a period of two years following the use or commissioning, the Supplier warrants in relation to its delivery that the object of delivery will be free of any defects which impair the use or operation of the same and that it has the features indicated or assured by the Supplier. Should any goods supplied be defective, friedola will, prior to the commencement of the production and processing, first give the Supplier the opportunity to separate out defective goods and remedy any defects or make a replacement delivery unless this cannot reasonably be expected of friedola, e.g. for reasons of time.



1888

The Supplier shall be obliged to bear the costs arising in connection with the investigation and rectification, in particular the cost of installation and dismantlement, in the full scope, even if it subsequently transpires that in fact there was no defect.

Should this be unsuccessful, friedola shall be entitled to rescind the contract and also to return the goods at the risk of the Supplier and to procure these goods from another supplier. If the same goods are once more delivered in a defective condition, friedola shall also, following a written warning, be entitled to cancel any part of the delivery not yet performed up until then. In the case of complaint in respect of a defect, the limitation period shall be extended by the time period between notification of the defect and final elimination of the same. friedola reserves the right to make a lump sum charge in an amount of 150.00 EUR per complaint procedure for the handling of complaints and to deduct this handling charge direct from the invoice amount.

In addition, the Supplier shall be liable to friedola in damages within the scope of the statutory provisions, in particular of Sections 437, 440, 280 et seq. BGB. The right to assert claims for damages in addition to the other statutory claims in relation to defects remains expressly reserved. friedola shall be entitled to withhold the attributable sums of damages resulting according to the analysis of the cause, including any such arising from consequential damage caused by a defect, direct from the invoice sum. Under no circumstances can any acceptance or acknowledgement of defects be deducted in this respect from any payments made by friedola to the Suppliers. In the event of the assertion of any claims by third parties concerning material defects or flaws in legal title in relation to the deliveries of the Supplier, the latter shall indemnify friedola from such claims in the full scope. In the case of concealed defects, the Supplier shall be obliged to reimburse the expenditure incurred in vain and/or the costs of materials. The costs and risk of the return delivery are to be borne by the Supplier.

The Supplier shall be liable for ensuring that no rights of third parties, in particular patent rights or other industrial property rights of third parties, are infringed either through the supply of the objects of delivery to friedola or through its use of the same. Should any such infringement of rights nevertheless occur, the Supplier shall bear the licence fees and shall indemnify friedola from all claims for damages. In addition, the Supplier shall bear the cost of any damage thereby suffered by friedola.

XII. Indemnity - Product liability

The Supplier shall be obliged to indemnify friedola against any claim made against it under product liability where the damage giving rise to the claim arose through any goods delivered by the Supplier. Where the damage did not arise within the sphere of its responsibility, it is the responsibility of the Supplier to adduce evidence that it was not at fault.

The Supplier shall furthermore be obliged to bear all costs arising within the scope of its indemnity to friedola. These also include the costs for recall actions for the withdrawal of products already introduced on the market, whereby, in this respect, friedola will give the Supplier the opportunity to become involved. The Supplier shall be obliged to indemnify friedola from any claims of third parties on account of material defects and/or flaws in legal title of any product delivered by the Supplier; these also include friedola's legal fees.

The Supplier undertakes during the entire term of the contractual relationship to maintain in force a product liability insurance policy with cover of at least 10,000,000.00 EUR per case of personal injury/material damage - lump sum. Against this background, the Supplier shall be obliged to deliver proof of the insurance cover to friedola upon its first request.

XIII. Force majeure

In the event that the delivery owed cannot be fulfilled on account of occurrences of force majeure, industrial disputes or unrest, official measures or any other unforeseeable and uncontrollable serious occurrences, friedola shall be entitled to cancel the contract. The Supplier shall be obliged to inform friedola without delay of the occurrence of any such obstacles to delivery.

XIV. Minimum wage

Should the Supplier wish to have the performance owed by it carried out by third parties such as e.g. sub-contractors, freelance employees etc. this shall only be admissible with the prior written consent of friedola. All staff, in particular the employees of the Supplier involved in the specific delivery, are employed by it in accordance with the stipulations of the Mindestlohngesetz [*Minimum Wage Act*] and are also paid in accordance with the stipulations of Sections 1, 2 and 20 of the MiLoG [*Minimum Wage Act*] or in accordance with applicable collective agreements. It is solely the responsibility of the Supplier to ensure that these stipulations are observed.

Friedola is hereby released from all claims associated with any breaches of the MiLoG. Furthermore, should it gain knowledge of any such breach, friedola shall be entitled to cancel the supply contract with immediate effect and to assert claims for damages against the Supplier arising therefrom.

XV. Data protection

The Supplier acknowledges and assents to the fact that friedola collects, stores, processes and uses personal data associated with the legal transaction, whereby friedola is obliged, pursuant to the applicable provisions of the Bundesdatenschutzgesetz [*Federal Data Protection Act*], to have regard to the legitimate interests of the Supplier. Our Privacy Statement in its current version can be viewed on our website under www.friedola.de. The terms and conditions relating to data protection set out there apply pursuant to the General Data Protection Regulation.

XVI. Final provisions

The law of the Federal Republic of Germany shall apply to the exclusion of the UN Convention on Contracts for the International Sale of Goods. In respect of all trade terms, DDP shall apply. For all disputes in connection with supply of goods by Suppliers, the court of competent jurisdiction shall be the court with jurisdiction at the location of the registered office of friedola. However, independent of this, friedola shall also be entitled to assert its claims at the location of the registered office of the Supplier. Unless agreed to the contrary in writing, the business headquarters of friedola is also the place of performance. Should individual provisions of these GT&CPs be legally ineffective, the validity of the remaining parts of the GT&CPs shall not be affected. Any such possibly ineffective provision shall, as also any possible gap in the provisions of the GT&CPs of friedola, be replaced by such an arrangement as most closely corresponds to the economic purpose intended by friedola.

The Supplier acknowledges and assents to the fact that friedola collects, stores, processes and uses personal data associated with the legal transaction, whereby friedola is obliged, pursuant to the applicable provisions of the Bundesdatenschutzgesetz, to have regard to the legitimate interests of the Supplier.

Both friedola and the Supplier undertake to observe the Code of Conduct of the Bundesverband Materialwirtschaft, Einkauf und Logistik e.V. [*Federal Association for Materials Management, Purchasing and Logistics*] in its current version, which is retrievable under the website www.bme.de.

At the beginning of each co-operation with a Supplier, friedola will deliver its GT&CPs once in written form, whereby these then apply for all future legal transactions without the necessity of referring to the same in each individual case. The current version can be viewed at any time on friedola's website (www.friedola.de).