

Standard Terms and Conditions of Sale of Lornamead GmbH

(Only applies to business persons)

1. Relevant Terms and Conditions

These Standard Terms and Conditions shall apply exclusively to all our goods and services unless a written agreement is made to the contrary. Any differing, contradictory or supplementary Standard Terms and Conditions of the buyer shall not form an integral part of the contract, even if we are aware of them, unless expressly agreed in writing.

2. Conclusion of agreement

2.1 All our offers are subject to confirmation. By ordering a product, the buyer bindingly expresses his wish to purchase the ordered product. A contract for delivery shall only come into effect if we accept your order. Acceptance of an order may be performed in writing or by supplying the goods to the buyer.

2.2 Our confirmation of order applies to the scope of the delivery contract. Our delivery note is considered as being the confirmation of order in the case of deliveries without separate confirmation of order. All verbal agreements are subject to confirmation.

2.3 All information about our products, in particular diagrams, drawings, data on quality, quantity, colour, consistency, and weight specified in our offers and printed in publications only reflect approximate values and shall not be construed as descriptions of quality or condition. If the confirmation of order does not contain any set limit for permitted deviations and no such deviations are apparent from explicitly accepted customer specifications, then deviations customary to the industry are permissible. The quality, suitability and intended purpose of our goods are based solely on the specifications we provide. Public statements, endorsements or advertising on the part of us or third parties shall not be deemed to constitute a description of the quality or condition of the goods.

2.4 Guarantees regarding the quality or durability of our goods have to be indicated as such in writing in the confirmation of order. The quality of supplied samples is not guaranteed, unless otherwise stipulated in the confirmation of order. The same shall apply to analysis data.

2.5 Information and advice regarding our products is provided based on our previous experience. The values stated are merely average values and do not constitute quality descriptions of our products. We accept no liability for adhering precisely to such values. Item 6 shall however apply if the buyer is entitled to claim damages.

3. Delivery and shipment

3.1 Delivery dates and deadlines that are not explicitly indicated as being definite in the confirmation of order shall only apply approximately. The buyer can set us an appropriate delivery deadline once two weeks have passed since the delivery date and deadline have passed. We are only deemed to be in default when this period of extension has expired. Delivery periods cannot commence prior to the buyer producing the documents to be procured and required on his part, e.g. authorisations or permits.

3.2 In case of default or if the product cannot be delivered, we shall only accept liability for damage claims to the extent described in item 6. The damages caused by delay to be paid by us according to item 6 are limited to 0.5% of the value of non-punctual delivery or part delivery for each accomplished week, at the most however to 5% of the value of the delayed (partial) delivery. We reserve the right to provide partial deliveries. Our place of business shall always be the place of performance.

3.3 At our option, goods shall be dispatched ex warehouse or ex works. The risk of accidental destruction and accidental deterioration of the goods is transferred to the buyer when the goods are passed on to the person rendering delivery. This transfer shall apply even if the buyer is in default of acceptance.

3.4 Damages in transit are to be immediately reported to the forwarding agent; the duty to give notice stated in the German General Conditions of Carriage (Allgemeine Deutsche Speditionsbedingungen) shall apply in this regard.

3.5 The buyer shall be responsible for warehouse charges following transfer of risk. We reserve the right to impose flat-rate warehouse charges at 0.5% of the invoice amount for every month. Exception here is in the event that the buyer can demonstrate less incurred damage. We also reserve the right to set the buyer a period of extension of 14 calendar days before rescinding the agreement if the deadline passes without successful outcome or to claim for damages in place of performance.

3.6 In cases of force majeure such as breakdowns, transport delays, industrial dispute measures such as strikes and lockouts, and in case of non-delivery, incorrect or delayed delivery by our supplier(s) for whatever reason (subject to availability of merchandise), and in case of other service hindrances not attributable to us, we reserve the right to delay delivery until the problem has been remedied plus an appropriate lead time. If it is anticipated that the hindrance will last some time, we reserve the right to refuse delivery of the goods in part or in their entirety. We will immediately inform the buyer that we are not able to render the service. The customer shall not have the right to claim damages from us. The customer is not obliged to render *quid pro quo* and shall be reimbursed for any services rendered.

4. Pricing and payment

4.1 Prices include delivery and, unless agreed otherwise, are stated in euros and include standard packaging plus the respective statutory VAT.

4.2 The purchase price is due immediately. If the buyer is in default, we reserve the right to charge interest at an annual rate of 8 per cent above the respective base interest rate of the European Central Bank p.a. unless we can prove greater incurred damage.

4.3 The buyer is not permitted to reduce our claim by counterclaims or to assert a right of retention unless the counterclaims or the right of retention were recognised by us in writing or are deemed to be legally binding.

4.4 The buyer is not permitted to assign claims from this agreement to third parties without prior written consent from us.

4.5 If the buyer delays or suspends payment, we reserve the right to demand immediate payment of the full claim without taking the agreed due date into consideration. This shall also apply if we become aware of circumstances that lead to founded and considerable doubt vis-à-vis the buyer's ability to pay or credit standing. This shall also apply if these circumstances existed at the time of ordering but were not known to us or were made known to us through obligation. In all of the above cases we also reserve the right to only execute outstanding deliveries against advance payment or the provision of collateral and, if the advance payment under security is not made within two weeks, to rescind the agreement without setting a new deadline. We reserve the right to assert further claims.

5. Retention of title

5.1 All delivered goods shall remain our property (reserved goods) until the buyer has settled all existing claims and any claims that arise following conclusion of the contract.

5.2 The buyer is obliged to keep the reserved goods safe and to insure them sufficiently at his own cost. Upon request, we shall be granted access to the respective storage location at all times in order to perform stocktaking and to provide sufficient markings. The buyer is obliged to immediately inform us of distraints or other infringements of our rights by third parties by providing as many details as possible with the aim of allowing us to take all necessary legal action against this.

5.3 The buyer may only sell the reserved goods in customary business transactions at his normal terms and conditions and under agreement of retention of title in the scope determined by us if it can be ensured that his resale claims pursuant to items 5.4 to 5.6 are transferred to us.

5.4 The buyer hereby assigns claims with all ancillary rights to us as a result of reselling reserved goods. They shall also serve to the same extent as our collateral for the reserved goods. The buyer shall only be permitted to assign claims to third parties with our prior written consent.

5.5 Should the buyer sell the reserved goods together with other goods not supplied by us, then the assignment of the resale claim shall only apply in the amount of the invoice value of our reserved goods at the time of supply.

5.6 If the assigned claim is added to an open account, the buyer shall assign to us part of the balance corresponding to the amount of this claim including the end balance from the current account.

5.7 Until revoked, the buyer shall have the right to call in claims resulting from resales pursuant to items 5.3 to 5.5.

5.8 Should the buyer not fulfil his obligations arising from this agreement or other agreements with us, or if we become aware of circumstances that reduce his credit standing:

- we have the right to prohibit the resale;
- we have the right to rescind this agreement; the buyer's right to own reserved goods therefore expires and we can recover the reserved goods; we are then entitled to enter the buyer's premises, to take possession of the reserved goods at the buyer's cost and, irrespective of the buyer's payment obligations and other obligations, to utilise the reserved goods in the best possible way by means of direct sale or auction; the realisation proceeds are credited to the customer after deducting costs arising from his liabilities; any generated profit will be paid to the buyer;
- then, upon request, the buyer shall provide us with the names of the debtors of claims assigned to us so that we can disclose the assignment and collect the debts; all proceeds that we are entitled to on account of assignments are to be immediately transferred to us upon receipt if and as soon as our claims asserted against the buyer become due;
- then we are entitled to revoke the issued direct debit authorisation.

5.9 Should the value of collateral we are entitled to be greater than the overall claims by more than 20 %, then we are obliged to release collateral of our own choice *pro tanto* at the customer's request.

6. Warranty and liability

6.1 The buyer shall carefully examine the supplied goods immediately upon arrival, even if samples were previously sent. The goods shall particularly be inspected in terms of quality. If containers are delivered, then random tests are to be conducted. The consignment shall be regarded as having been approved if notification of a defect is not received by us in writing with a precise description of the defect within ten (10) calendar days from receipt of the goods at destination or, if the defect was not manifest, within ten (10) calendar days from discovery. Notifications of defects are always to be directed to us.

6.2 If a defect notification is justified and submitted to us, we shall, at our own choice, either render subsequent fulfilment by carrying out a repair or by supplying a replacement. Should the subsequent improvement prove unsuccessful, the customer may either opt to reduce the purchase price or to rescind the contract. If the defects are minor, the customer shall not be entitled to rescind the contract. Should the buyer choose to rescind the contract following unsuccessful subsequent improvement, he shall not also be entitled to claim for damages due to the defect. If, after unsuccessful subsequent improvement, the customer opts for compensation of damages, the goods shall remain with the customer if this is reasonable. The compensation of damages shall be limited to the difference between the purchase price and the value of the defective goods. This shall not apply if we wilfully caused the breach of contract.

6.3 The above terms and conditions include the definitive liability for defects for our contractual products. In particular, we shall only be liable for all other claims for compensation for damages to which the buyer may be entitled on account of, or in connection with, defects to the contractual products delivered, regardless of whatever legal reason, as they pertain to items 6.4 and 6.5.

6.4 In cases of intent or gross negligence, we shall only be liable for claims for compensation of damages on account of culpable actions, regardless of whatever legal reason, *inter alia* default, defective consignments, breach of duties under an obligation or of duties in the event of breaches of contract, illegal acts, product liability (with the exception of liability in accordance with the German Product Liability Act). We are only liable for slight negligence, if we are in breach of an obligation the compliance with which is particularly important to achieve the purpose of the agreement (cardinal obligation). The term cardinal obligation abstractly describes *pro tanto* those obligations that make it possible for the contract to be fulfilled correctly in the first place and which both contracting parties can regularly be assured will be fulfilled. In case of a violation of the cardinal obligation, liability is limited to predictable damages at conclusion of the contract and which are typical to the contract. This limitation shall not apply to injuries that the buyer suffers to life, limb or health. Personal liability by our legal representatives, vicarious agents and employees for damages caused by them as a result of ordinary negligence shall be ruled out.

6.5 For entrepreneurs, the warranty period shall be one year commencing on the date of delivery. Damage claims on the part of the buyer due to slight negligence on our part owing to a defect shall be subject to a limitation period of one year commencing on the date of delivery. This shall not apply if malicious intent can be claimed.

6.6 Agreements between the buyer and his customers that extend beyond the scope of statutory warranty claims shall not be assumed by our company.

7. Final provisions

7.1 The relationship between us and the buyer shall be governed by the law of the Federal Republic of Germany. The UN Convention on Contracts for the International Sale of Goods (CISG) and any other international agreements – future or otherwise – even after being passed into German law, shall not apply.

7.2 The venue for all disputes arising from this agreement shall, at our choice, either be our place of business or the customer's place of business. Action brought by the buyer shall take place exclusively at our place of business. Compulsory regulations on exclusive jurisdictions shall not be affected by this. This choice of jurisdiction clause shall apply solely to customers who are retailers.

7.3 Amendments and supplements to this contract including this clause on the requirement for written form must be made in writing to be valid. The same shall apply to supplementary and ancillary agreements.

7.4 Transactions with legal entities under public law and public special assets will be handled in the same way as transactions with entrepreneurs.

7.5 Should individual provisions of the contract entered into with the buyer including these Standard Terms and Conditions be or become invalid either in whole or in part, this shall not affect the validity of the remaining provisions. Instead, the wholly or partially invalid provision shall be replaced by a valid provision coming as close as possible to the economic purpose of the invalid provision. The same shall apply to any gaps.