

General Terms of Supply for exclusively commercially used products by dorn solution GmbH

1. Scope

- 1.1 These Terms of Supply shall apply to all transactions
 - a. with persons acting in the exercise of their commercial or self-employed professional occupation (entrepreneurs) at the time of the conclusion of the contract
 - b. with public legal entities or with special-purpose entity organized under public law
- 1.2 These General Terms of Sales are designed for agreements to which the special provisions of consumer goods purchase do not apply (Secs. 474 et seqq. BGB (German Civil Code)). The customer shall be obligated to inform us if it cannot be excluded that the products supplied by us are supplied to consumers within the meaning of Sec. 13 BGB (German Civil Code). In this case, we are entitled to rescind from the agreement.

2. Contract Conclusion

- 2.1 Our below Terms of Sale and Delivery shall exclusively apply to all agreements and offers with us – also in the future – unless deviating individual agreements were made. Other terms and conditions shall not become part of the agreement, even if we did not explicitly object to them. Our employees are not authorized to deviate from the present terms and conditions.
- 2.2 Agreements may only be concluded through our written or electronically transmitted order confirmation. Until that point, our offers are not binding. We may issue the order confirmation until the end of 30 calendar days after receipt of the customer's order. Only this order confirmation shall be relevant for the scope of delivery or services.
- 2.3 If the purchaser objects to our Terms of Sale and Delivery, we shall have the right to rescind from the agreement.

3. Prices

- 3.1 Unless otherwise agreed, our prices are specified net ex works from where delivery is made. The value added tax valid on the date of the dispatch will be added to our prices.
- 3.2 We shall be bound to the prices agreed for an order for a period of four months from the conclusion of the contract. Should longer terms for delivery be agreed, we shall – in cases of an increase of the costs of material or labor – be entitled to add a proportional cost surcharge based on our original calculation for the incurred cost increase.
- 3.3 Costs of packing and packaging and freight will be charged in addition. Rented pallets shall remain our property, and they have to be sent back in faultless condition with the next delivery. If they are not returned within one month from delivery, we shall charge our own cost.

4. Deliveries

- 4.1 Periods of delivery and delivery dates will be approximately and subject to confirmation. They shall only be binding if we have confirmed this in writing. The periods of delivery are complied with if we inform within the agreed period that the goods are ready for dispatch.
- 4.2 Changes to the products desired by the purchaser after the order was placed shall interrupt the period of delivery, which shall start again after an understanding has been reached.
- 4.3 The period of delivery shall be extended by the period during which we do not receive our own supplies correctly or in time.
- 4.4 The period of delivery or services shall commence only when the purchaser has submitted all required data, drawings, releases, etc. and after all open technical questions have been clarified and all agreed down payments have been made. Furthermore, periods of delivery shall be extended reasonably if the purchaser does not comply with agreed terms and conditions of payment or other contractual provisions. The above shall not apply if we are responsible for the delay.
- 4.5 The period of delivery shall be extended by the occurrence of events that cannot be avoided by us, in

particular in case of business interruptions, official interventions, shortage of raw materials, strike, etc. for the period of the interference. If delivery becomes impossible for the same reasons, we shall be released from our obligation to deliver. In this case, we will immediately inform the contractual partner about the impossibility and pay back any remuneration already received.

- 4.6 We shall be entitled to fulfill deliveries also in partial amounts. The customer is also obligated to accept delivery in this case.
- 4.7 Even in the event of a delivery time determined by the calendar ((Sec. 286 para. 2 no. 1, 2 BGB (German Civil Code)) we will only be in default if we are granted an additional period for fulfillment of two weeks, unless we have previously seriously and finally refused to perform. We shall only be liable for damages caused by delay or non-compliance up to the amount of the order value, unless we or our vicarious agents acted intentionally or grossly negligent. Any contractual penalty to be paid shall be set off against the claim for damages of the customer.
- 4.8 The customer shall only be entitled to rescind from the contract if we are responsible for the delay and if we have been granted a reasonable additional period that lapsed without result.
- 4.9 In case of call orders, we shall be entitled to set an additional period of fourteen days for acceptance upon the expiry of three months from the order confirmation and then charge the goods not accepted plus reasonable storage fees at 0.5% of the price for the delayed delivery for every commenced additional week until acceptance, however a maximum of 5% of the delayed delivery in total. The parties of the agreement may provide proof of higher or lower storage fees. The same shall apply if the dispatch or the delivery of the goods is delayed on request of the customer by more than one month after the notification of the readiness for dispatch.
- 4.10 To the extent to which we confirm any dates of delivery for supplies to foreign countries, we shall only be bound by this under the condition that any factual and technical details can be clarified and any export and import details can be clarified in due time.

5. Packaging and transportation risk

- 5.1 The deliveries shall be made EXW Incoterms 2010.
- 5.2 The risk of accidental loss and accidental deterioration shall pass to the customer once the goods have been delivered to the carrier, at the latest when leaving the works. If the dispatch is delayed for reasons for which we are not responsible, the risk shall pass upon notification of the readiness for dispatch. Clauses such as „delivery free“ or similar terms stipulate the cost of transportation, but do not change anything related to the above provision of the transfer of risk.
- 5.3 Unless otherwise agreed, the kind of dispatch shall remain at our discretion, while we are not responsible for the cheapest kind of dispatch.
- 5.4 A transportation insurance cover shall only be taken out upon explicit request and at the expense of the customer.
- 5.5 Our prices are based on the prerequisite that the customer disposes of the transportation packages. If any transportation packages are returned to us, the customer shall bear the cost of the transportation back to us. In this case, the transportation packages have to be clean, free from foreign substances, and sorted according to different packages. Otherwise, we shall be entitled to claim reimbursement for the additional cost for the disposal from the purchaser.

6. Reservation of Title

- 6.1 We shall retain the title to any and all goods supplied by us until all claims – also those incurring in future – against the customer resulting from the business relationship have been paid. If claims are included in current accounts, the reservation of title shall apply to the respective balance. If the customer is in delay with payments, we shall be entitled to take back the goods. The goods will be credited at the real proceed after deduction of the costs for realization and return. The customer shall be obligated to insure our property against fire, water and theft. The claims against the insurance company are assigned to us. If, upon request, the customer does not prove that a sufficient insurance has been taken out, we shall be entitled to insure the delivery time against theft, breaking, fire, water, and other losses at the expense of the customer.

- 6.2 The purchaser shall notify us promptly about any attachments, seizures or other dispositions, or any third party interventions.
- 6.3 The customer shall be entitled to further process the goods in its ordinary course of business or to retail them by agreeing to an extended reservation of title. The customer shall not be entitled to any other type of disposal. The customer's rights to process and sell the goods shall expire if the customer fails to comply with payment obligations towards us, grossly infringes the contracts concluded with the customer in any other way or comes into financial collapse. Any stop of payments, over-indebtedness, initiation of insolvency proceedings, and any other serious change of the financial conditions of the customer that could endanger our securities shall be regarded a deterioration of the customer's assets.
- 6.4 Any goods that are subject to the reservation of title will be processed on our behalf. In case of joint processing for several suppliers, we shall be entitled to the co-ownership share in accordance with Secs. 947 et seqq. BGB (German Civil Code). If the customer combines or merges our goods with a good owned by the customer in such a way that the good of the customer is to be regarded as the main good, the customer already now transfers to us a share of the ownership in the main good at the ratio that the value of our good has compared to the value of the main good. Our co-ownership share shall remain in the possession of the customer who is keeping the good for us.
- 6.5 The customer already now assigns to us a first-priority partial amount of the claims and ancillary rights arising from the resale, the size of the part being in accordance with our participation in the co-ownership. The customer shall not be entitled to agree on a prohibition of assignment. If a debtor of the customer makes a partial payment to the customer, the claims assigned to us shall be deemed repaid at last. In the regular course of business, the customer shall be entitled to collect the assigned claims. This authorization shall lapse in the cases described in (6.3). The customer shall then be obligated to cooperate in collecting the claim.
- 6.6 At the Customer's request, we undertake to release, at our option, the securities to which we are entitled under the above terms, to the extent that the marketable value of such securities exceeds, by more than 20 %, the total claim that is to be secured.
- 6.7 To the extent that in case of supplies to foreign countries the law of a another country does not allow the reservation of title, but allows us as the seller to retain other rights in the delivery item, we shall be entitled to exercise all rights of this kind. The purchaser shall be obligated to cooperate in such actions.

7. Payment

- 7.1 Unless otherwise agreed, the goods shall be paid for at the time of delivery at the latest. We reserve the right to demand down payments in the amount of 1/3 of the delivery value already before delivery.
- 7.2 Subject to other written payment terms, payments shall be made within 10 days after the invoice date without deductions, unless anything different is agreed. The date of unconditional credit in our bank account shall be decisive for the timeliness of the payment.
- 7.3 If this due date is exceeded, the purchaser shall have to pay default interest in the amount of 8 percent above the respective basic interest rate of the European Central Bank without a reminder, unless the purchaser proves that the purchaser is not responsible for the delay of the payment. Any claim for additional damages shall remain reserved.
- 7.4 Payments shall always be credited at first to the costs, then to the interest, and then to the oldest debt.
- 7.5 If the purchaser is in default with one payment, all other claims shall become due and payable immediately unless the purchaser proves that the purchaser is not responsible for the default.
- 7.6 Checks and also bills of exchange upon prior written agreement shall only be accepted on account of payment; costs and expenses shall be borne by the purchaser.
- 7.7 If the legal requirements are met, the purchaser shall have the defense of lack of performance of the contract without restrictions. The following provisions shall apply to other rights of retention. The purchaser shall only be entitled to a right of retention regarding claims resulting from the same contractual relationship that are undisputed or established in a binding decision. In this case, the purchaser can only retain the remuneration payment in case of defects of parts of the service or delivery up to an amount that corresponds to the value of the defective delivery/service.

- 7.8 The customer can only offset against our claim with claims based on a right of its own, which are undisputed or established in a binding decision.
- 7.9 If the customer is in default with any payment of any kind or if the customer's financial conditions worsen so that doubts about the customer's capability to pay arise, we shall be entitled to refuse any further performances and demand a prepayment or a security. Such a worsening of the financial conditions will be assumed, inter alia, if bills of exchange or checks are protested or if the limit set forth by a credit insurance is exceeded or would be exceeded by an intended supply. Additional legal rights (especially rescission) shall remain reserved.

8. Warranty

- 8.1 In any case the customer shall be obligated to examine the goods supplied by us immediately even if they are packaged. Any obvious defects must be objected to in writing at the latest within one week calculated from the date of receipt. Hidden defects must be objected to by the customer in writing at the latest within one week after their discovery. The contractual partner shall be obligated to provide us with a detailed written description of the defect objected to by the contractual partner. If such an objection is not made or is delayed, the contractual partner shall lose its claims related to possibly existing defects of the purchase object. Any processing of the notification of defect by us, in particular also the examination of the goods after their return by the contractual partner, does in no way constitute a waiver of the compliance with the duties of complaint by the contractual partner. If an acceptance is agreed, it shall be performed in our plant by the purchaser or by a representative or by a third party. Any obvious defects shall be objected to immediately.
- 8.2 We warrant that the goods supplied by us are free from material defects. The standard for the contractual compliance of the supplied products is the respective contractual specification of the products and their intended purpose in the agreement in which we entered with our customer. The customer is solely responsible for the accuracy of specifications and data, which the customer provides to us. We shall not be obligated to review the customer's specifications. We shall not be responsible for defects resulting from erroneous drawings and CAD or other customer data. Insignificant changes in regard to design, form and construction as well as the values indicated in the specification and also insignificant changes of our performance have to be accepted by the customer to the extent that they are reasonable or they constitute customary tolerances of amounts, quality and construction. Such insignificant deviations shall not establish any warranty claims.
- 8.3 Any information, which we publish in text or drawn form, e.g. in catalogs, specifications, illustrations, and drawings, as well as any data relating to measurements, weights, and performance, describe only the properties of our products and shall not constitute a representation or warranties. Our employees, sales representatives, or other distributors shall not be entitled to give any warranties or representations. The presentation of samples or specimen alone shall not be deemed a warranty or representation. Changes of technical data and designs serving the technological progress shall remain reserved.
- 8.4 Otherwise, any warranty claims shall be excluded if the defects were caused by natural wear and tear of the purchase item, as a result of faulty or negligent treatment, deficient or irregular storage, improper use or unsuitable application, defective assembly, following overstrain or due to impairments caused by special exterior influences after the transfer of risk that were not provided for in the contract. Warranty claims shall also be excluded if the purchaser itself or through third parties performs maintenance work while this was not mandatory.
- 8.5 If the contractual partner refers to a public statement as a reason for a defect objected to by the contractual partner, in particular in an advertisement, the contractual partner has to prove that such public statement was the reason for the contractual partner's purchase decision.
- 8.6 In case of a defect, we shall be – at our discretion – entitled to remedy the defect or deliver an item that is free from defects (supplementary performance, Sec. 439 BGB (German Civil Code)). In case of supplementary performance we shall be obligated to bear any expenses for the supplementary performance, in particular transportation, travel, labor, and materials costs as far as these are not increased by taking the goods to another place than the place of performance. Any parts objected to

by our customer shall only be returned to us upon our request and, if required, well packaged and including a packing list with order number. Usually, in case of an error, the returned goods are credited; the replacement delivery is invoiced again.

- 8.7 We shall be entitled to refuse the supplementary performance if it would only be possible at unreasonably high costs. This is in particular the case if
- The expenditure associated with the removal of the defect is expected to exceed 100% of the market value of the purchase item;
 - In case of supplementary delivery our costs to replace the purchase item exceed 150% of the market value of the item.

The other legal rights of the customer (price reduction, rescission of the contract, compensation for damages, compensation for futile expenses) shall remain unaffected.

- 8.8 If the law does not require otherwise, the customer shall at first be obligated to grant us a reasonable period for supplementary performance in writing before the customer can claim other warranty rights. As a rule, we shall be granted a period of at least four weeks as of proof of the defect for the supplementary performance if components or appliances are supplied by us are concerned, and a period of twenty working days for the supply of spare parts. The terms are met if we have sent within the deadlines. If a shorter period is agreed in an individual case or a differing reasonable period is necessary, for example in urgent cases where disproportionately high losses are threatening or dangers for the safety at operations occur, then these periods apply. If the supplementary performance does not take place within this deadline, the customer shall be entitled to claim the legal rights, in particular to rescind from the contract, declare a price reduction or - under the pre-requisites of item (8.11) – claim damages. It is not required to set an additional deadline if we finally and seriously refused the supplementary performance or if the supplementary performance is not possible.

- 8.9 The rescission from the contract shall be excluded if the purchase item only has insignificant defects. Insignificant defects are in particular only minor deviations from the contractually agreed quality and in case of only minor impairments of the contractually agreed usability of the goods.

- 8.10 The contractual partner may only demand compensation for damages instead of performance if delivery of the defective item constitutes a significant breach of duty.

- 8.11 Compensation for damages for consequential losses incurring independently from the supplementary performance ((e.g. loss of production, lost profit, claims based on delayed delivery to the customer's purchasers, etc., Sec. 280 BGB (German Civil Code)) can only be claimed if a reasonable period for the supplementary performance has lapsed without success. We are then liable for damages under the pre-requisites of item (8.11).

- 8.12 The warranty period shall be 12 months from the date of delivery or the agreed acceptance of the delivery. For the delivery of used goods, the warranty period shall be six months. The shortening of the warranty period shall not apply to intent or malice. For executed supplementary performance work or spare parts supplied as part of supplementary performance, the warranty period shall be limited to the date of the expiry of the warranty period for the original supply.

- 8.13 If the period for the supplementary performance expires without success, we shall be entitled to request from the customer to be informed of the customer's further warranty claims against us within a period of one month. If the customer does not make such a declaration this period, any warranty claims shall be excluded. This shall only apply if we expressly instructed about this legal consequence in our request setting the grace period.

- 8.14 The contractual partner shall only be entitled to take recourse against us for defective products to the extent that the customer has not agreed with its own customers on provisions exceeding the domestic legal provisions, in particular warranty liability. The above rules shall apply accordingly to the scope of our warranty liability towards the contractual partner in these cases.

- 8.15 If we have acted based on an error notification or an asserted defect and a review proves that the performance rendered by us has no defect subject to warranty, we can demand reasonable remuneration according to market rates for the efforts and expenses incurred by us.

9. Defects of title

- 9.1 We shall be liable to the legal extent for the freedom of products supplied from defects of legal title. If not otherwise agreed, we only warrant that the products supplied by us do not infringe any industrial property rights or copyrights of third parties for the country in which we are domiciled (domestically). Otherwise, (10.) shall apply.
- 9.2 The contractual partner shall notify us immediately if third parties claim an infringement of property rights. If this immediate notification is omitted, any and all warranty claims shall be excluded.
- 9.3 Item (8) para 8.12 shall apply analogously regarding the warranty period.
- 9.4 If any justified third-party claims are made during the warranty period, we shall, at our discretion and at our expense, be entitled to procure the right of use for the relevant supplied goods or modify the supplies under observance of the contractual purpose in such a way that no property rights are infringed, or supply comparable products that do not infringe those property rights.
- 9.5 A warranty claim of the contractual partner shall be excluded if the contractual partner itself negotiates with the third party or makes any agreements without our approval.

10. Property rights

- 10.1 The customer warrants for all documents, objects, and the like provided to us for the purpose of the supply or service that third-party protective rights are not infringed. The customer shall indemnify us from any third-party claims and reimburse us for any incurred damages. If a third party prohibits us to perform, manufacture, or deliver with reference to a protective right held by the third party, we shall – without review of the legal situation – be entitled to stop the work and demand reimbursement of our expenses. Documents, objects, and the like provided to us that do not result in an order will be returned upon request against reimbursement of the expenses. Otherwise, we shall be entitled to destroy them three months after submitting our offer.
- 10.2 We shall retain proprietary rights and copyrights in any samples, models, drawings, cost estimates, calculations, and similar information of physical or nonphysical kind also in electronic form. Such information may not be made accessible to third parties. If the contractual partner receives such information in connection with the tendering or negotiating of a contract, the contractual partner shall be obligated to return it at no cost to us in the event that no contract will be concluded. The contractual partner shall be obligated to only disclose information explicitly designated as confidential by us to third parties upon our explicit approval.
- 10.3 The customer shall have a simple right of use in our know-how and our property rights as far as this is necessary to use the products supplied by us. Otherwise, no further rights of use are transferred.

11. Compensation for damages

- 11.1 Irrespective of the legal cause, we shall only be liable for compensation for damages
- If we, our legal representatives, or persons employed by us act intentionally or grossly negligent;
 - If we have given warranties for the fulfillment of such warranties to the agreed extent. Warranties require the written form and must be expressly designated as such;
 - In cases of death, bodily injury and health impairment
 - In cases of other compulsory legal liability (e.g. German Product Liability Act, German Environmental Liability Act etc.)
- 11.2 In cases of slight negligence – except for the cases of no. (11.1) – we shall only be liable, irrespective of the legal cause, for a breach of duties which are essential for the contract. In case of a slightly negligent breach of duties essential for the contract, the amount of our liability for damages is limited as follows: We shall only be liable for the compensation of the typical, foreseeable damages. Before the contract conclusion, the customer shall be obligated to inform us in writing of special risks, possible untypical damages, and unusual amounts of damages. The liability for lack of economic success, indirect damages and damages based on third-party claims shall be excluded. The same shall apply to damages from loss of production or lost profits.

11.3 If the subject matter of the purchase agreement is a determined item, our liability shall also be exclusively determined based on the above provisions. Any liability not based on fault for compensation for damages shall be excluded.

11.4 The above liability provisions shall also apply to legal claims of the customer for reimbursement of futile expenses, and also to the personal liability of our staff, employees, representatives, and vicarious agents.

12. Other rights and duties

In the event of a culpable violation of the duties of protection and care within the meaning of Sec. 241 para. 2 BGB (German Civil Code), which is not directly related to the supply of the goods, our customer shall only be entitled to claim damages and exercise the right to re-scind from the contract if we have previously been warned in writing and a reasonable period to remedy the breach has been set. A warning is not required if we or our representatives or vicarious agents act intentionally or grossly negligent, or in cases of death, bodily injury and health impairments.

13. Advertising agency services

In addition, the following shall apply if we provide advertising agency service for the customer:

13.1 Service contract law shall in general apply to consulting services and advertising agency services.

13.2 To the extent that we are engaged to provide advertising services for the customer, the contract law for work and labor of the German Civil Code may apply in individual cases.

The following shall apply to such advertising services:

- a) We produce printing templates or printed matters based on the content specifications of the customer. The customer warrants that it is entitled to lawful disclosure, publication and distribution of the provided data and texts. The customer warrants that the use of data and texts does not violate third party rights or laws. If we design a website for the customer (homepages, online shops, newsletters and similar items), the customer warrants that all data, image and similar content provided to us by the customer can be used for these purposes and do not violate any third party rights. The customer shall indemnify dorn solution from all claims in this regard and reimburse dorn solution for costs incurred in the defense against claims, including legal costs.
- b) We shall not be obligated to store or retain data and texts transmitted by the customer beyond our own order processing and also do not accept any liability for retention.
- c) If we have agreed with the customer to submit advance or interim products for review or correction or release, the customer shall immediately perform a review in regard to deviations of quality, quantity or of other kind and inform us in writing of any determined deviations immediately, at the latest within three days after receipt of the sample. If no deviations are determined, the customer shall be obligated to immediately declare a release for production. With the release for print, the risk of any errors or defects shall transfer to the customer, as far as such errors or defects were recognizable at the time of release. If the customer does not perform such interim reviews and does not declare releases, we are not obligated to perform the services. To this extent, the customer shall be in debtor default for which we can assert the legal rights.

13.3 We agree on payments on account for advertising agency service. Unless otherwise agreed in individual cases, 30 % of the order value shall be paid before the engagement begins

13.4 The customer shall only obtain a right of use in our respective service as part of the respective order. A right of use shall not exist outside of the respective determined purposes. Our rights existing under copyright law shall remain unaffected.

13.5 Even without explicit approval of the customer, we shall be entitled to send specimen copies of the orders as samples to third parties. Furthermore, we shall be entitled to publish products as print samples. To the extent that we produce digital applications for the customer, we shall be entitled to also transmit these as references to other customers. We can make reference to our services in a suitable manner on print products and digital products.

14. Data protection

Data necessary to process business transactions shall be stored by us in a central location.

15. Information under VSBG (Consumer Dispute Resolution Act) for alternative dispute resolution in consumer matters

We shall not be obligated to partake in dispute resolution proceedings before a consumer arbitration board and are also not willing to do so. Therefore, we shall not participate in dispute resolution proceedings before a consumer arbitration board

16. Miscellaneous

16.1 Place of performance and place of jurisdiction shall be Detmold (Germany).

16.2 German law shall apply exclusively for all orders placed with us, except for the UN Sale Convention (CISG).

16.2 Should individual provisions of our Terms and Conditions for Supplies be or become invalid for any reason, the validity and binding force of the remaining provisions will not be affected. The purchaser agrees that the invalid provision shall be replaced with a valid provision which comes as close as possible to the economic purpose of the invalid provision.

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