

§ 1 Scope of application

1. These General Purchasing Terms govern all procurement transactions between
 - a) **Poly-clip System GmbH & Co. KG** or
 - b) its German affiliates(hereinafter also referred to as "Client") on the one hand, and the supplier if and to the extent that it is a business within the meaning of § 14 of the Civil Code (*Bürgerliches Gesetzbuch - BGB*) (hereinafter also referred to as "Contractor") on the other.
2. Legal relations between the Client and the Contractor are subject exclusively to these terms, with any deviation, change or amendment to be made in writing. The Contractor's opposing, supplementary or other conditions deviating from these terms, if any, are not incorporated herein by reference unless the Client expressly so recognizes in writing. Under no circumstances does the Client's acceptance of supplies and services without objection, or its silence on the matter, signal its acceptance of the Contractor's conditions, and the Client objects to any additional, contradictory or opposing conditions or terms found in the Contractor's bids, letters of order acceptance or confirmations.
3. Insofar as the underlying business transaction is mutual, these General Purchasing Terms further apply to all future legal relations between the Client and the Contractor even if these terms are explicitly referenced in a given case.
4. These terms apply to all procurement transactions, such as tools, machinery, equipment, parts, raw and other materials, software, work and labor of any kind as well as services ("Item Supplied" or "Service Supplied").
5. Insofar as the contractual services fall into the area of construction, the pertinent legal provisions apply to the exclusion of the Construction Contract Procedures, Part B (*Vergabe- und Vertragsordnung für Bauleistungen - Teil B - VOB/B*).

§ 2 Bid, award of contract

1. Bids are prepared at no charge to the Client.
2. The Contractor must specifically alert the Client in its bid to any instance of deviation from the specifications provided.
3. A supply contract is not entered into until the Contractor's has confirmed the Client's order in writing or has commenced performance on the basis of a Client order.
4. In the event that the Contractor neither confirms the order nor commences performance within five business days of order receipt, the Client is entitled to revoke the order to the exclusion of any claim for damages on the Contractor's part.

§ 3 Specifications, changes, spare parts

1. The specifications and scope of performance are set forth in the purchase order, any applicable document referenced therein as well as these General Purchasing Terms. Ideas, designs, models, samples and all other work products created by or at the Contractor in the course of performance form part of the contracted work.
2. The Contractor will examine any and all specifications, performance details and other information provided, along with such supplies, parts and other materials as may have been furnished with a view to implementing the supply contract, to establish their fitness for the purpose assigned by the Client and its customer. If, in the course thereof, it is learned that the items provided or the objects of agreement are in need of adjustment, the Contractor must promptly notify the Client, who will then advise the Contractor in writing whether – and, if applicable, which – changes are to be implemented on the Contractor's part. Insofar as, from the Contractor's viewpoint, such changes might affect the agreed costs of the objects of agreement and/or agreed deadlines, the Contractor must promptly inform the Client, whereupon reasonable arrangements are to be made regarding such impact, including but not limited to changes in cost, by mutual consent. In the event that the parties fail to agree on such an arrangement within a reasonable period of time, the Client will make a determination in its equitable discretion.

3. The Contractor will procure that it is aware, in due time, of all information and circumstances bearing on the performance of its contractual obligations as well as the use to which the Client intends to put the Contractor's supplies. It may invoke the absence of documents required for contractual performance only if and to the extent that it requested – but failed to receive – such information in writing in a timely fashion. The Contractor guarantees that its supplies encompass all services needed for proper and safe use, that they are suited to the intended use and that they reflect the current state of science and technology.
4. The Contractor will observe any and all norms, statutes and provisions imposed by applicable law, including but not limited to regulations pertaining to safety, environmental protection, hazardous substances / materials and accident prevention, along with generally recognized safety protocols and the Client's as well as its customers' relevant directions. Legal provisions such as the law on electric and electronic old devices (Directive 2011/65/EU) specifically prohibit the marketing of certain substances in defined applications. The Contractor will procure that any and all parts and products that it supplies are free from prohibited substances within the meaning of this directive now and in the future.
5. In the event that Regulation (EC) No 1907/2006 of 18 December 2006 ("REACH") applies to the Services Supplied, the Contractor represents and warrants that such services meet REACH requirements as well as all national regulations passed to implement REACH. The Contractor guarantees compliance with any and all REACH obligations, including the (pre-)registration and submission of REACH-conforming safety data sheets and IMDS data sheets. Insofar as Services Supplied are not rendered in accordance with REACH, the Client reserves the right to rescind or terminate master agreements and/or purchase orders. The Contractor undertakes promptly to advise the Client of any and all changes affecting REACH compliance, and it holds the Client harmless from any third-party claim on the basis of non-compliance with REACH. Failure to comply with requirements and obligations arising from REACH constitutes a defect triggering warranty claims.
6. The Contractor must apprise the Client of any official permit needed as well as reporting duties in connection with importing and rendering Services Supplied. Specifically, the Contractor is obligated to observe the export control provisions in effect at the time of delivery, and it must report to the Client, on its own initiative, any export control designation assigned to objects of agreement, or any part thereof, in accordance with the laws in effect at the time of delivery, including but not limited to applicable EU and U.S. regulations, upon delivery, at the latest, identifying the export control list as well as the list position for each object of agreement, or part thereof, affected by export control.
7. At any time prior to acceptance, the Client may call on the Contractor to effect changes to Services Supplied, including but not limited to changes in design and execution, provided that agreeing to such change or deviation does not unreasonably burden the Contractor in light of its interests. The Contractor must immediately implement the changes on the basis of these contractual terms, and insofar as, from the Contractor's viewpoint, such changes might affect the agreed costs of the objects of agreement and/or agreed deadlines, the Contractor must promptly inform the Client, whereupon reasonable arrangements are to be made regarding such impact, including but not limited to changes in cost, by mutual consent. In the event that the parties fail to agree on such an arrangement within a reasonable period of time, the Client will make a determination in its equitable discretion.
8. The Contractor procures that it is capable of supplying the Client with additional objects of agreement or parts thereof as spare parts for a period of ten years from the start of its supply of objects of agreement, unless technological advances allow the supply of a compatible or adequate part.

§ 4 Software

General Purchasing Terms

Current as 29 May 2019

1. Insofar as the Contractor is obligated to supply software, it grants the Client a non-exclusive, transferrable license to use such software around the world and in perpetuity. The agreed rate of compensation covers any licensing fee as well.
2. In the event that a third party holds the property rights or copyrights to the software, the Contractor will procure that the Client is granted a license matching the scope outlined in § 4 (1).
3. In addition, the Client is entitled to duplicate, process, disseminate or decompile such software whenever doing so is necessary in order to render the software compatible with other programs or remove software defects.
2. Prices cover any and all of the Contractor's expenditures, including but not limited to the cost of materials, facility use, travel expenses, shipping, insurance, packaging, custom duties, taxes, etc.
3. If an installment plan has been agreed, payments are made upon receipt of an appropriate partial invoice in accordance with the deadlines and partial amounts set forth in the installment plan. Prior to the Client's final acceptance of performance, any and all payments are made on account and do not constitute recognition of past performance as having been properly completed. Irrespective of circumstances, the final rate is not to be billed until delivery has been completed and, if required by agreement or applicable law, upon final acceptance of performance. The Client is authorized to retain the final rate or up to 5% of the total contract value until the warranty period has expired. The Contractor is entitled to substitute such retention by furnishing an absolute performance bond issued by a bank or credit insurer (while waiving the defense as to failure to pursue remedies).

§ 5 Deadlines, default, damages resulting from default

1. Agreed deadlines and delivery periods are binding in nature; they are deemed to have been met if supplies and/or services are received at the place of performance free of defects or, if acceptance or another performance review is required by agreement or applicable law, such acceptance or review has been successfully completed in time.
2. The Contractor is obligated to provide prompt written notice to the Client of any perceivable delay in performance, any potential delay in performance as well as any perceivable or potential problem with delivery on the basis of the quality agreed, and it may invoke causes of delay beyond its control only if it satisfied its obligation to so notify the Client.
3. Under no circumstances does a notice of delays and any related postponement of agreed delivery deadlines free the Contractor from the consequences of default, unless the Client expressly declares in writing that it waives such consequences when the deadline is moved. To such extent, the Client continues to hold such rights under the supply contract as may result from or are associated with the Contractor's default despite the postponement of delivery deadlines following a notice of delays.
4. In the event of the Contractor's default, the Client is entitled, without the need for further notice, to demand that the Contractor pay damages in a flat amount, which accrues at a rate of 0.3% of the total contract value per full or partial business day on which default persists. The Contractor is free to furnish evidence to the effect that no damages were incurred, or that damages were incurred at a significantly lesser rate. The assertion of further rights is not affected, with the amount of actual default damages asserted to be adjusted by flat-rate damages. The Client's acceptance of delayed deliveries without objection does not invalidate its right to demand payment of flat-rate damages; the Client may assert claims for flat-rate damages until the objects of agreement have been paid for in full.
4. Invoices are to be sent to the Client as single copies stating order number, order ID as well as the quantity of each item ordered. In addition, the invoice must contain all information needed to ensure eligibility for the deduction of input tax, including but not limited to (sales) tax ID and other mandatory data to be included on invoices under the pertinent provisions of applicable law. In the event that the invoice does not contain such data, the Client is under no obligation to pay the sales tax stated. If the Client is denied the opportunity to deduct input tax on account of an improper invoice, the Contractor must refund any sales tax paid by the Client.
5. Unless otherwise agreed, payments are due at a 3% discount within 14 business days or net within 30 calendar days, and they are made using means of payment of the Client's choice. Periods allotted for payment commence upon the most recent of (a.) delivery or acceptance of performance, (b.) invoice receipt or (c.) delivery date stated in order.
6. Unless the purchase order states otherwise, deliveries are made "delivery duty paid" ("DDP") according to Incoterms 2010.
7. The Contractor is not entitled to assign its claims to third parties or allow third parties to collect them. In the event that, in violation of sentence 1, the Contractor assigns its claims against the Client to a third party without the Client's consent, such assignment is nevertheless effective. To discharge its obligation, however, the Client may, at its option, direct payment to either the Contractor or the third party.
8. The Client holds a right of set-off, and such right extends to claims that its affiliates hold against the Contractor as well as to claims the Contractor holds against the Client's affiliates.
9. In cases of defective deliveries, the Client is entitled to withhold payment in a proportionate amount until performance has been properly rendered.

§ 6 Force Majeure

1. Force Majeure, including but not limited to labor disputes, civil unrest, official measures and other unforeseeable, unavoidable and momentous events, effectively releases the parties hereto from their respective contractual obligations for the duration of such event, and the parties must, to a reasonable degree, provide necessary information and adapt their obligations to prevailing circumstances in accordance with the principle of good faith.
2. In the event that contractual obligations are suspended on account of Force Majeure for a period of more than two weeks, the Client may terminate the contractual relationship with immediate effect, in which case the Contractor may demand to be compensated for such demonstrable expenditures as it may have incurred in reliance on the continuation of the contractual relationship until contractual obligations were suspended.

§ 7 Rates, terms of delivery and payment, claim assignment, set-off, right of retention

1. The agreed prices represent fixed rates. If a bid references hourly rates, it does so merely for the sake of cost transparency, unless the parties hereto explicitly agree in writing that billing is to be based exclusively on units on the basis of negotiated hourly rates.

§ 8 Provisions, tools, demand for surrender

1. Unless specifically agreed otherwise, such designs, samples, means of production, models, media, prototypes, depictions, drawings, documentations, materials, equipment, components, parts, containers, packaging, tools, meters, devices or other items as the Client may provide or loan to the Contractor, which are – and are meant to be – in the Contractor's possession (hereinafter "Provisions"), are not the Contractor's property but remain the Client's property.
2. The Contractor promptly controls and examines Provisions, advising the Client of any defects in writing without delay. The Contractor may only use Provisions in the course of order processing on the Client's behalf and will not put them to other uses, or permit third parties to do so, without the Client's prior written consent.
3. Provisions are to be clearly marked as the Client's property, and they must be kept at the Contractor's expense, securely and separate from other items with the diligence of a prudent businessman. The Contractor must handle Provisions carefully and professionally, preserve them in

good condition at its own expense and, if necessary, replace them and hold the Client harmless from any claim, cost and damage arising from or in connection with the installation, use, storage or repair of Provisions. The Contractor bears the risk associated with Provisions so long as they are in its possession and under its control, and it must insure them against all insurable risks ("All-Risk") in the amount of their replacement value, save for items of minor value. The Contractor hereby assigns its claims against the insurer to the Client in advance, and the Client hereby accepts such assignment.

4. The Client or a third party designated by the Client (which must be bound by a professional duty of confidentiality) may, at any time upon advance notice, enter the Contractor's business premises during regular business hours to account for Provisions and examine pertinent records.
5. The Client is entitled, at any time and even absent a specific reason, to demand that the Provisions be returned, whereupon the Contractor must promptly produce the Provisions, prepare them for shipment or deliver them to the Client against payment of reasonable transportation costs. The Contractor is barred from asserting rights of retention or liens if and to the extent that such exclusion does not affect undisputed or effectively established counter-claims.
6. The Contractor processes or refashions materials provided on the Client's behalf. Whenever Provisions are processed, the Client acquires co-ownership of the new item in proportion to the other processed items at the time of processing. The Contractor will store the new or refashioned item for the Client free of charge and with the diligence of a prudent businessman.
7. The Contractor manufactures auxiliary models, tools, models, forms or similar objects (hereinafter "Tools") needed for the completion of contractual performance for the Client's benefit, and the title to Tools made by the Contractor, which are needed for the completion of contractual performance, passes to the Client upon production. Accordingly, the Contractor is to treat Tools just like Provisions. The Client is entitled, in its sole discretion, to demand that Tools be surrendered against payment of demonstrable costs incurred in connection with the Tools' manufacture, as adjusted by payments made or a partial price paid up until the demand for surrender. The Contractor is obligated to effect the immediate surrender of Tools even absent an agreement as to the manufacturing costs to be reimbursed under this clause, and it waives any right of retention to such extent. The Client is entitled to have the Contractor destroy the Tools for the Client free of charge once the order has been completed. The destruction of Tools is subject to the Client's written consent.

§ 9 Subcontracting

The subcontracting of orders to third parties is subject to the Client's written consent. In the event that the Contractor violates this rule, the Client may terminate the contract with immediate effect (termination for cause).

§ 10 Acceptance, transfer of risks / title, retention of title

1. Insofar as acceptance is required due to the type of a Service Supplied under applicable law or contractual agreement, such service is deemed to have been accepted upon the Client's written declaration of acceptance. In the event that the Client fails to attend an acceptance procedure as required after receiving the Contractor's notice of acceptance readiness, the Client is deemed to have accepted a given Service Supplied no more than four (4) weeks from the commencement of use and the Contractor's written notice of acceptance readiness, provided that the Client does not assert a defect hindering acceptance during such period.
2. In the event that the Contractor's performance under an order is incorporated into the Client's overall performance in relations with its customers, and acceptance may occur only in conjunction with other performance aspects, the Contractor's work does not undergo acceptance until the Client's customers have accepted the Client's overall performance (no express declaration to that effect is needed)

or six weeks have passed – whichever occurs sooner. Under no circumstances do payments constitute acceptance of Items Supplied.

3. Unless specified otherwise in writing as part of a separate agreement, the transfer of risks takes place upon the acceptance of the Service Supplied if the foregoing clause calls for acceptance, and otherwise upon delivery in full of the Service Supplied.
4. Insofar as the Contractor itself produces the Service Supplied, the Client becomes its owner upon creation; otherwise, the title to the Service Supplied passes to the Client upon delivery.
5. In relations with the Client, the Contractor is not entitled to retention of title regarding Services Supplied unless the Client expressly consents thereto in writing as part of a separate agreement.

§ 11 Confidentiality

1. The Contractor undertakes to hold in strict confidence and to secure against unauthorized access, loss or use such non-obvious commercial and technical details as it may glean as a result of the business relationship, including but not limited to Provisions (hereinafter referred to collectively as "Information"). Information must not be made available or provided to unauthorized third parties without the Client's written consent. However, this duty of confidentiality does not extend to Information (a) that is or becomes accessible to the public through no breach of this duty, (b) that is communicated to the Client by a third party through no breach of a similar duty or (c) with respect to which the Contractor can show that it either possessed it prior to the effective date of this duty or developed it independently thereafter.
2. Information may be duplicated only as required for business purposes and as permitted by copyright law. Information provided to the Contractor is to be returned to the Client or, in coordination with the Client, safely destroyed upon the completion of work in due consideration of the duty of confidentiality. The Contractor will retain or store no copies, duplicates, etc. unless it is required to archive them under applicable law. Subject to other rights, the Client may demand their surrender as soon as the Contractor breaches its duties.
3. Staff and subcontractors are to be contractually obliged accordingly.
4. Unless the order stipulates otherwise, this duty of confidentiality survives delivery and/or performance for a period of five (5) years.
5. The Contractor must not advertise the business relationship without the Client's written consent.

§ 12 Liability for defects

1. The Contractor procures that all of its Services Supplied
 - a) meet contractually agreed specifications;
 - b) are free from design, manufacturing and material defects;
 - c) reflect the current state of science and technology at the time of acceptance;
 - d) meet statutory, official and industry-specific norms and requirements, including but not limited to pertinent safety, environmental protection, building code, hazardous substances / materials and accident prevention regulations, along with the Client's / customers' quality-assuring requirements; and
 - e) are suited to the contractually agreed purpose of use – or such purpose of use as may be discernible to the Contractor.
2. Insofar as Services Supplied do not meet the above requirements, the Client may, at its option, demand that the Contractor either remove the defect encountered or provide Services Supplied that are free from defects at its own risk. In the event that the Contractor fails to satisfy this obligation within a reasonable period of time, if it refuses to remove the defect or to render substitute performance or in the presence of special circumstances mandating prompt action, the Client may, upon providing notice to the Contractor, itself remove the defect or render

substitute performance, or have a third party do so, at the Contractor's expense.

3. In addition, the Contractor must reimburse the Client for such costs (including shipping & handling, (de-)installation, materials and labor) as the latter may have incurred in connection with defect removal or substitute performance.
4. The warranty period equals 36 months from the time of delivery (services) to or acceptance (work and labor) by the Client. Insofar as the Service Supplied forms part of the overall performance that the Client is to render to its customers, the warranty period equals 36 months from the time of the customer's acceptance of the Client's overall performance, but no more than 48 months from the time of delivery to the Client. The 36-month period of limitation applies accordingly to claims based on legal defects. The statutory period of limitation for third-party surrender claims in rem (§ 438 (1) no. 1 of the Civil Code) is not affected. Moreover, claims based on legal defects do not expire under any circumstances so long as the third party may still assert rights against the Client, especially for lack of limitation. To the extent permitted by law, periods of limitation prescribed by the law on the sale of goods, including the above extensions, apply to all contractual claims based on defects. In the event that the Client is entitled to extra-contractual claims for damages on account of a defect, the regular statute of limitation (§§ 195, 199 of the Civil Code) applies unless the application of the periods of limitation under the law on the sale of goods results in a longer period of limitation in a given case.
5. Other statutory or contractual claims are not affected.
6. The commercial duty to examine and report defects (*kaufmännische Untersuchungs- und Rügepflicht*) is governed by applicable legal provisions subject to the following: The Client's duty to examine is limited to defects that clearly reveal themselves on the occasion of our inspection of incoming goods, which consists of a visual examination, including delivery papers (e.g., shipping damages, incorrect or inadequate delivery), or our quality-control regimen employing random sampling. Insofar as acceptance has been agreed, there is no duty to examine goods. In all other respects, what matters is the extent to which an examination is indicated when considering the circumstances of a given case in the proper course of business. The Client's duty to report defects discovered at a later point in time is not affected. Irrespective of our duty to examine, our objection (notice of defect) is deemed to have been given promptly and in time so long as it has been dispatched within five business days from the date of discovery or, in cases of patent defects, from the date of delivery.

§ 13 Other liability, insurance

1. The Contractor is liable for claims resulting from the infringement of registered and pending property rights or from copyright violations, provided that the supplies and services are put to the intended use, and the Contractor holds the Client harmless from all claims stemming from the infringement of such rights. This does not apply if and to the extent that the Contractor's work is based on drawings, models, data, etc. provided by the Client and does not know – or need not know in connection with services rendered by it – that it violates property rights. In cases of infringement, the Client is entitled to obtain, from the holder of such property rights, the approval needed to supply, commission, use, resell, etc. the Item Supplied at the Contractor's expense. In the event that doing so would place an unreasonable burden on the Contractor, it may rescind the contract. The Client's other claims for damages, if any, are not affected.
2. The Contractor holds the Client harmless from third-party claims based on product liability if and to the extent that it is responsible for the product defect and the damages incurred, and it will reimburse the Client for any expenditures arising from or in connection with a recall campaign or such service measures as the Client or one of its customers may undertake to such extent. To the degree possible and reasonable, the Client will apprise the Contractor of the nature and scope of recalls or service measures and

afford it an opportunity to comment. Any compensation offered between Client and Contractor is subject to the principles of § 254 of the Civil Code accordingly.

3. In the event that the Contractor's services include work on the premises of the Client or one of its customers, the Contractor will adopt such safety measures for the duration of its work as may be necessary to prevent personal injury and property damage. The Contractor indemnifies and holds the Client harmless from and against any damages, costs and expenditures that result from the Contractor's on-site work unless the Contractor bears no responsibility for such damages, costs and expenditures.
4. The Contractor is liable for its representatives, (vicarious) agents and subcontractors just as it bears liability for its own actions.
5. Specifically with respect to personal injury, property damage and financial loss, the Contractor undertakes to obtain and maintain adequate insurance coverage that reflects common industry practice in terms of both coverage type and amount, and it will furnish the Client with proof of insurance upon request. In connection with the objects of agreement, the Contractor hereby assigns all of its payment claims against insurers to the Client in advance, and the Client accepts such assignment. Obtaining insurance coverage and assigning insurance claims do not limit the Contractor's liability.
6. Other statutory or contractual claims, if any, are not affected.

§ 14 Rights to work products, property rights, know-how, copyrights

1. With respect to the work products as a whole as well as their essential components, the Client receives an exclusive, unlimited, sublicensable and irrevocable right of use, which is included in the total compensation. Moreover, such property rights as may be contained in such work products are subject to the conditions set forth below.
2. For purposes of these General Purchasing Terms, "property rights" are rights to, under or for patents, patent applications and legal inventor's claims, utility models, inventions and any other patentable rights, including registrations and applications for registration.
3. The Contractor undertakes to apply the diligence customary to the industry, including patent research, to create work products that are free from third-party rights. If it appears to be unavoidable or expedient to make use of third-party rights not controlled by the Contractor, the Contractor will immediately inform the Client, supplying documentation and reasons as appropriate, and the parties hereto will then coordinate the next steps until the Client makes a decision regarding the possibility of using third-party rights.
4. Insofar as work products contain property rights that arose with the Contractor prior to or during the completion of an order but demonstrably outside of such work ("Background Property Rights"), the Client receives a transferrable, sublicensable, non-exclusive, irrevocable license thereto, which is included in the total compensation. Such license only permits the use of Background Property Rights as part of the use of work products or their essential components, and this applies accordingly to background know-how.
5. In the event that the Contractor intends to use Background Property Rights in work products, it must provide prior written notice thereof to the Client in order to obtain the Client's approval for such use, and the parties hereto will then coordinate the next steps until the Client makes a decision.
6. The Client holds a preferential right to obtain property rights with regard to all property rights made under a given contract by the Contractor or its staff alone or in cooperation with the Client's staff ("Foreground Property Rights"). The Contractor must see to it that the Client can exercise such preferential right by offering to the Client in writing such property rights as may have been reported to it in connection with work products or have otherwise come to its attention within two (2) months of learning thereof; the fee for doing so is included in the total compensation. The Client may transfer the preferential right to obtain property

General Purchasing Terms

Current as 29 May 2019

rights to an affiliate. In the event that the Client is not interested in obtaining property rights alone and in its own name, Client and Contractor will coordinate their actions in obtaining such rights jointly and share the cost thereof. The Client may name an affiliate to be included in the registration of the property right in its place. Whenever a property right is registered jointly, the Client holds the irrevocable, transferable, sublicensable, unlimited, non-exclusive right to use the property right as a whole unless agreed otherwise, and any associated fee is included in the total compensation. In the event that the Client is not interested in obtaining a property right jointly, either, the Contractor is free to pursue such property right in its own name and at its own expense. However, the Client is still entitled to the irrevocable, transferable, sublicensable, unlimited, non-exclusive right to use it free of charge, with any associated fee being included in the total compensation.

7. The party not involved in obtaining a property right undertakes to assist with the process and to issue such notices as may be necessary to obtain and defend the property right at its own expense.
8. Insofar as the work product created by the Contractor or its staff contains a design that may be registered as such, the Contractor assigns the right thereto to the Client as of the time of its creation, and the Client is entitled to bring about the effective registration of such design at its own discretion. Any associated fee is included in the total compensation.
9. Insofar as services provided or work products created by the Contractor, or any part thereof, are protected under copyright law, the Contractor grants the Client the exclusive, irrevocable, sublicensable, transferable right to put such work products to any and unlimited use in perpetuity, around the world and free of charge, including the right to duplicate, disseminate, exhibit, modify and process the same save for the extent that work products fall under § 4; any associated fee is included in the total compensation.
10. Subject to other legal provisions, the Contractor alone is responsible for compensating its staff.
11. In the event that subcontractors are engaged, the Contractor guarantees that the work products created by subcontractors are free from defects. Specifically, the Contractor procures that the rights listed in § 14 paras. 1 through 10 have been fully transferred to it with respect to any subcontractor's work product, and that it is authorized to grant such rights to the Client without limitation. The Contractor holds the Client harmless from any liability for claims arising from a subcontractor's infringement of property rights if and to the extent that the same resulted from a violation of sentence 2 of this item.

§ 15 Termination

Notice of termination

1. The Client may terminate the order at any time, without notice and without the need to state reasons, and such termination may affect the full order or only aspects thereof. Notice of termination must be given in writing.
2. In cases of termination without cause, the Client pays the total compensation accrued to date in reference to services that the Contractor demonstrably rendered until the effective date of termination. In cases of partial termination, however, such payment is not due until the date agreed with respect to payment for the service rendered.
3. Aside from the provision in § 15.2, the Client will, in cases of full or partial termination, reimburse the Contractor for such costs as may have been demonstrably occasioned by and for the purpose of the completion of the order so canceled according to the principle of commercial diligence, and could not have been avoided by taking into account such measures as may be possible and reasonable.
4. Irrespective of legal grounds, the Contractor holds no further claims in cases of termination without cause, and the amount of the payments to be borne by the Client pursuant to this § 15 are capped at the amount of the total compensation.
5. If, in cases of termination without cause, an order is agreed between the Client or one of its affiliates on the

one hand and the Contractor on the other, and the Contractor's capacity freed by the cancellation can be used for such order, the payments pursuant to § 15.3 are to be taken into account whenever possible.

Termination for cause

6. The parties hereto may terminate the order without notice for cause – such cause being present, for instance, in the Contractor's violation of a contractual obligation, provided that the Contractor fails to fully remedy it within an adequate grace period allotted by the Client. Cause for termination further includes cases in which the Contractor's assets (i) become subject to a petition for the institution of insolvency proceedings or (ii) suffer or are likely to undergo a significant deterioration, thereby placing in doubt the Contractor's ability to meet its contractual obligations, including but not limited to its obligation to supply goods or services.
7. The Client reserves the right to assert additional claims in the event of termination for cause on its part.

Rescission

8. Insofar as the Client avails itself of a contractual or statutory right of rescission, notice of rescission must be given in writing.
9. In such a case, the Client may compensate the Contractor for the value of any service received in lieu of returning or surrendering such service. The amount of such compensation is based on the value of the service in question at the time notice of rescission was given.

§ 16 Right to audit

1. Subject to advance notice, the Contractor undertakes to grant the Client access to its offices and premises during regular business hours and allow it to review any and all documents related to a given order with a view to establishing the proper nature of the Contractor's services as well as the accuracy of all invoice positions.
2. Relevant documents are to be kept available for such review for a period of five (5) years from the conclusion of an order.
3. If the Contractor has engaged subcontractors, it must procure that such subcontractors will grant the Client the same rights.

§ 17 Compliance with minimum-wage law, bond, special right of termination

1. The Contractor guarantees that each employee working for it is compensated steadily and timely at a rate equal to or exceeding the legal minimum wage, as amended, and it must hold subcontractors and rental companies with which the Contractor maintains contractual relations to the same standard.
2. With respect to subcontractors and rental companies with which the Contractor or its subcontractors maintain contractual relations, the Contractor guarantees that each employee working for them is compensated steadily and timely at a rate equal to or exceeding the legal minimum wage, as amended.
3. The Client is entitled to verify the Contractor's compliance with minimum-wage law by reviewing business records so long as it meets applicable requirements under privacy law. For this purpose, the Contractor must, at the Client's request, produce verifiable proof free of charge and within a reasonable period of time, including but not limited to the documents according to § 17 of the Minimum-Wage Act (*Gesetz zur Regelung eines allgemeinen Mindestlohns - MiLoG*) as well as payroll records, each in anonymized form, and it must oblige subcontractors and rental companies with which the Contractor maintains contractual relations to do likewise.
4. The Contractor holds the Client fully harmless from any liability under § 13 of the Minimum-Wage Act. In the event that the Client is sued by the Contractor's staff or that of subcontractors or rental companies with which the Contractor maintains contractual relations, in reference to § 13 of the Minimum-Wage Act, the Contractor will bear any

General Purchasing Terms

Current as 29 May 2019

and all costs associated with such legal action irrespective of culpability. To secure such indemnity claim, the Contractor must, upon request, furnish the Client with an adequate bond in the form of an irrevocable and unconditional absolute guarantee issued by a credit institute or insurer licensed to enter into transactions of this nature in Germany. The Contractor bears the cost of such guarantee.

5. In the event that the Contractor breaches the duties under para. 1 or if the Client is sued by the Contractor's staff or that of subcontractors or rental companies with which the Contractor maintains contractual relations, in reference to § 13 of the Minimum-Wage Act, the Client is entitled to terminate orders and other agreements, or any part thereof, with immediate effect.

§ 18 Miscellaneous

1. The place of performance for the services and supplies under a given purchase order is the location of the Client's registered offices or the seat of the ordering Client entity unless the purchase order specifies another place of performance.
2. To the extent permitted by law, the exclusive legal venue for all disputes arising from or in connection with an order is the court with jurisdiction over the Client's seat.
3. The law of the Federal Republic of Germany applies exclusively and specifically to the exclusion of the United Nations Convention on Contracts for the International Sale of Goods (CISG).