

Mütze Textilband GmbH
Sachsenberger Str. 3, D-35066 Frankenberg
General Purchasing Conditions (GPC)

§ 1

General

1. The following GPC of Mütze Textilband GmbH, Frankenberg/Germany shall apply to all contracts, orders and services from our suppliers. We order goods and services exclusively on basis of our GPC. These shall apply to all present and future business relationships. Deviating, opposing or supplementary General Terms & Conditions of the supplier – even when they are known or the supplier's goods and services are accepted unconditionally – shall not become a contract component unless their validity is expressly approved in writing.

2. Assigning and pledging claims from any contract with us are only permitted with our express written approval.

3. Our GPC shall only apply vis-à-vis companies in terms of § 310 (1) BGB (German Civil Code).

§ 2

Offer, offer documents

1. The preparation of offers is free of charge, non-binding for us and must occur in writing.

2. We retain the property rights and copyrights to illustrations, drawings, calculation and other documents. They may not be made accessible to third parties without our express written approval. They must only be used for manufacturing based on our order. After the end of the business relationship, all documents must be returned to us without being prompted. They must be kept secret vis-à-vis third parties.

3. The supplier is obligated to accept our order within a deadline of one week, otherwise it shall be deemed rejected.

4. Should the supplier not accept the order unconditionally and unchanged, but rather make an offer that deviates from our order, a contract will only be concluded if this offer has been confirmed by us in writing.

§ 3

Delivery time

1. The delivery time stated in the order is binding unless otherwise agreed.

2. The supplier is obligated to inform us in writing immediately if circumstances arise or become recognizable which indicate that the required delivery time cannot be adhered to.

3. In the event of a delay in delivery, we are entitled to the statutory claims. We are especially entitled to demand compensation in lieu of performance and withdrawal after an adequate period of grace passes unsuccessfully. Should we demand compensation, the supplier has the right to prove to us that it is not responsible for the breach of duty.

4. We are entitled to make cover purchases from third parties or have replacement good manufactured by third parties in the event of a delay in delivery. The supplier waives the assertion of possible property rights that exist to its benefit unconditionally and irrevocably if we have replacement goods manufactured by third parties.

§ 4

Prices, conditions of delivery and payment

1. The price quoted in the order is binding and includes value added tax at the statutory rate unless otherwise stated.

2. All deliveries are made freight prepaid and free of all charges up to the receiving office defined by us including the costs for packaging, and at the supplier's risk. Costs for transport insurance are not borne by us unless this has been expressly agreed.

3. All invoices must be sent to us in one copy immediately. Invoices must contain our order number. The invoice must satisfy the requirements of § 14 UStG (Value added tax Act).

4. Payment is made by the 20th of the month following the delivery month with 2 % discount or net by the 20th of the next but one month following the delivery month.

5. We are entitled to the rights to offset and retain to the legal extent.

6. The assignment of receivables against us is only valid with our express approval. Subsequent introductions and increases of public charges and taxes, freight costs, wages, material or other factors affecting the price are at the supplier's expense.

§ 5

Inspection of defects and liability for defects

1. We will inspect delivered goods within an adequate period of time for possible quality and quantity deviations provided we are obligated to do so according § 377 HGB (Commercial Code). The complaint is on time if the supplier receives it within a deadline of five workdays, calculated from the receipt of goods or in the event of hidden defects from discovery.

2. We reserve the right to conduct quality inspections at the supplier's premises. We can also conduct quality inspections with customers.

3. We are entitled to unabridged defects claims. In all events, we are entitled at our discretion to demand that the supplier remove the defect or deliver a new item. The right to compensation, especially the right to compensation in lieu of performance, is expressly reserved.

4. We are entitled to remove the defect ourselves on supplier's expense, if the supplier is in default.

5. The limitation period is 36 months, starting from the transfer of risk unless mandatory legal provisions intervene.

§ 6

Product liability, indemnity and third party liability insurance cover

1. Should the supplier be responsible for a product defect, it is obligated to indemnify us from third party compensation claims on first demand if the cause is placed in its sphere of control and organization and it is personally liable towards us or third parties in the external relationship.

2. In the context of its liability for defects in terms of paragraph 1, the supplier is also obligated to reimburse possible expenses according to §§ 683, 670 BGB or according to §§ 830, 840, 426 BGB that are incurred from or in connection with a recall action conducted by us. We will inform the supplier – as far as possible and reasonable – of the content and extent of the recall action to be conducted and give if the opportunity to comment. Further statutory and contractual compensation claims shall not be affected.

3. The supplier undertakes to maintain product liability insurance with a EUR 10.000.000,00 – flat-rate – cover per personal and material damage. Should we be entitled to further compensation claims, these shall remain unaffected.

§ 7

Property rights

1. The supplier guarantees that no third party rights, in particular, patents, trademarks and industrial designs as well as other industrial property rights – national and international – are violated in connection with its delivery.
2. Should we be held liable by third parties due to this, the supplier is obligated to indemnify us from these claims on our first written demand. Should we conclude a settlement or an agreement similar to a settlement with the third party in order to avoid legal action or in the context of legal actions, the supplier is only bound by this if it consented to the agreement in advance.
3. The supplier's obligation to indemnify refers to all expenses that we necessarily incur from or in connection with the third party claim.
4. The period of limitation is 36 months beginning from the transfer of risk.

§ 8

Retention of title, provision, tools and secrecy

1. Should we order parts from the supplier, we retain the title to these. Processing and remodeling done by the supplier occur on our behalf. Should our retention goods be processed with items not owned by us, we shall acquire co-ownership in the new item in proportion to the value of our object (purchase price plus statutory value added tax) to the other processed items at the time of processing.
2. Should the object provided by us be mixed inextricably with objects that do not belong to us, then we acquire co-ownership in the new item in proportion to the value of the item under reservation of title (purchase price plus statutory value added tax) to the other mixed objects at the time of mixing. Should mixing occur in such a manner that the supplier's item is to be regarded as the main item, then it is agreed that the supplier transfers pro-rated co-ownership to us. The supplier stores the item under sole ownership or the co-ownership for us.
3. We retain the title to all tools. The supplier is further obligated to use the tools exclusively to manufacture the goods ordered by us. The supplier is obligated to insure the tools belonging to us at replacement value against damages from fire, water and theft at its expense. At the same time, the supplier now already assigns all compensation claims from this insurance to us. We herewith accept the assignment. The supplier is obligated to perform service and inspection work as well as maintenance and repair work that might become necessary to our tools at its own expense. The supplier must report possible cases of malfunction to us immediately.
4. Should the security rights according to paragraph 1 or 2 exceed the purchase price of all our retention goods not yet paid for by more than 10 %, we are obligated to release the security rights at our discretion if the supplier so requests.
5. The supplier is obligated to keep all illustration, drawings, calculations and other documents and information secret. These may only be disclosed to third parties with our express written approval. The obligation to secrecy shall also apply after this contract has been executed. It expires when and to the extent that the production know-how contained in the supplied illustrations, drawings, calculations and other documents becomes public knowledge.
6. At the end of business relationships, the supplier undertakes to return to us all documents in terms of paragraph 5 and the items provided immediately.

§ 9

Final provisions

1. Legal venue is Frankenberg/Germany if the supplier is a businessman. We are, however, also entitled to sue the supplier at the court of its domicile.

2. Should the order confirmation not state otherwise, the place of fulfilment is Frankenberg/Germany.
3. The law of the Federal Republic of German shall apply exclusively. The application of the UN Convention for the International Sale of Goods is excluded.
4. Should individual provisions of these GPC be or become invalid, the validity of the remaining provisions shall not be affected. The Parties undertake to agree on provisions to replace the invalid ones that come closest economically to the invalid provisions.
5. Deviations from the contractual regulations and ancillary agreements require the written form. This shall also apply to waiving the written form requirement.
6. The German version is decisive for interpreting these GPC.
7. The customer undertakes to access the updated GPC under <http://www.muetze.de> on the homepage of Mütze Textilband GmbH always on 1 January, 1 April, 1 July and 1 October and thus inform itself of any changes independently. Should the supplier not have internet access, we will send a hardcopy of the GPC free of charge on request.