

General Terms and Conditions for Sale and Purchasing of the Decorative Products GmbH



1. Validity

1.1

These **Terms and Conditions for Sale and Purchasing** shall apply to all contracts, deliveries and other services and performances, including consulting services, between the Decorative Products GmbH (hereinafter: DPG) and their customers. The terms of business shall apply to all future business relations between "DPG" and their customers, even if they are not again expressly agreed upon.

1.2

We herewith expressly reject any general terms and conditions of business that are opposed to our terms of business. Our terms of business and supply shall be considered agreed at the latest with receipt of the goods and services even if the customer informs us of conditions of his own. Customer's letters of confirmation shall not be binding upon us, even if we do not expressly contradict them. Any agreements or supplements deviating from these terms of business, telephonic or oral arrangements shall only be binding if we have confirmed them in writing.

2. Quotations and Conclusion, Master Agreement and Call Order

2.1

Quotations from DPG shall invariably be subject to confirmation and considered without obligation and as such a validity of maximum 60 days applies, if not otherwise specified. In order to become legally effective, a conclusion of contract requires our written confirmation of customers purchase order or by delivery.

2.2

If we gain knowledge of any facts, in particular of delays in payment with regard to earlier deliveries to the customer, from which according to our best commercial judgement a significant deterioration of the customer's financial position may be inferred, we shall be entitled to demand cash in advance or appropriate securities and in case of refusal, to withdraw from the contract, with effect of any invoices for already effected partial deliveries to become due immediately.

2.3

In case of a breach of contract between DPG and customer in which customer does not follow their obligation, DPG will pursue the right to impose indemnification and hold liable customer for proven loss and to demand compensation for any damages resulting from incurred non-performance that led to loss of profit.

Should the supplier not fulfil his responsibilities as mutually agreed in the master agreement he will be held liable to indemnify us up to the full amount of loss of profit we are able to prove. Beyond that, should we be imposed arrears resulting from non-performance we will take the right to be reimbursed by contractual partner / supplier.

2.4

Generally, all our specifications to be found in call orders are based on information of our clientele and are considered approximates. DPG is to regard those to be without further obligation to purchase.

3. Conditions of Supply / Delay

3.1

Delivery dates shall only be binding if we have expressly confirmed them in writing. Delivery scheduling shall only be valid if it has been complied within the scope of agreed capacities and if unfinished parts were to be provided are available in sufficient quantities. As a matter of principle, we shall not have to contradict excessive scheduling. We shall not accept the subsequent stipulation of quantities in arrears because of additional requirements arising at the customer's.

3.2

The term of delivery shall commence on the day of clarification of all technical and other order details, provision of any required documents and, where applicable, downpayment. The term of delivery shall be extended by the period by which the customer is in delay with his contractual obligations – either with regard to the current business relationship or with regard to other contracts.

3.3

The fact that certain dates and terms of delivery have elapsed shall not exempt the customer, who wants to withdraw from the contract or demand compensation for damages because of failure to perform, from setting an adequate extension of the original term for performance of the service and from stating that he will decline performance after expiry of the respite.

3.4

Partial deliveries shall be permissible within a reasonable scope.

3.5

The DPG defined terms of delivery that are stipulated in purchase orders shall be considered acceptable and binding as long as supplier will not object in writing. Default in delivery will automatically go into effect should delivery date of ordered material exceed deadline stipulated in purchase order. In case of default in delivery DPG will reserve the right to impose indemnification arising from non-performance against supplier. Any rights of DPG beyond that remain unaffected.

3.6

We reserve the right to deliver in a proper and timely manner. DPG will immediately advise customer about non-availability of material and in case of withdrawal to reimburse commensurate compensation.

3.7

Customer provided parts that got forwarded to DPG for reasons to apply surface enhancement are being solely expected by DPG and their subcontractors for sight-inspection, appearance and workmanship. It remains customer's responsibility to ensure that delivered finished parts are to meet contractual and legal regulations, notably aviation law.

4. Dispatch and Passing of the Risk

4.1

All deliveries shall be affected ex works Osnabrück, Dinslaken or Ahrensburg at the customer's risk and cost, unless otherwise it has been contractually agreed differently. If the customer has not instructed DPG regarding the type of dispatch, we shall be free to choose the route of transportation and the means of dispatch.

4.2

If dispatch is delayed at the customer's request or due to negligencet, the goods shall be stored at the customer's cost and risk. In that case, notification of readiness for dispatch shall equal dispatch.

4.3

For the rest, the risk shall be passed to the customer on handing over of the goods to a forwarding agent or freight carrier, however at the latest on the goods leaving our warehouse, in fact even if delivery is carried out by our own freight vehicles.

5. Packaging

5.1

Unless anything to the contrary has been agreed upon in an individual agreement, packaging of the goods shall be invoiced separately.

5.2

Redemption of packaging material shall be excluded.

6. Prices and Payment

6.1

Prices are always quoted exclusive of VAT

6.2

Unless otherwise expressly agreed, payment shall have to be effected within 14 days after date of invoice in such a manner that the amount agreed as settlement of the invoice is available to us at the latest on the due date.

6.3

We expressly reserve the right to reject cheques and bills of exchange. These shall always only be accepted by way of provisional performance. Expenses arising for domestic bills and bills of exchange shall be for the customer's account and shall become due immediately. Under exclusion of §§ 366, 367 German Civil Code and despite different stipulation by the customer, we shall determine which debts due have been settled by the customer's payment. From the date of default, we shall be entitled to charge the usual bank interest, but at least interest that is 8% above the respective prime rate. If the customer does not meet his payment obligations, if cheques or bills of exchange issued by the customer are not honoured, if the customer becomes insolvent, if an application for commencement of insolvency proceedings with regard to the customer's estate is filed or if insolvency proceedings commence, we shall be entitled to declare all our receivables due and payable with immediate effect. In case of services that have not yet been rendered, we shall be entitled to withdraw from the contract without the customer being entitled to demand any compensation for damages because of non-performance. The right to choose the insolvency administrator in accordance with § 103 Insolvency ordinance shall remain unaffected.

6.4

The customer shall only be entitled to set off against undisputed receivables or receivables that have been ruled to be final and absolute by a court. He shall only have retention rights if these are based upon the same contractual relationship.

7. Reservation of Title

7.1

Goods are supplied subject to basic, prolonged and extended reservation of title. The title to the goods shall only pass to the customer if he has met all his obligations from our mutual business relations. This shall also apply if several or all of the receivables have been included in one running account and if the balance has been drawn and approved by the customer.

7.2

If the customer combines goods that are subject to reservation of title with other goods, we shall be entitled to co-ownership of the new item at the ratio of the invoice

value of the goods subject to reservation of title to the invoice value of the other goods plus the processing value. If our ownership ceases due to combination, mixture or processing, the customer shall already at the time of conclusion of contract cede to us the right of ownership in the new item to which he is entitled to the extent of the invoice value of the goods subject to reservation of title and shall keep it in safe custody for us free of charge. The co-ownership rights arising in this connection shall be considered as goods subject to reservation of title within the meaning of 7.1

7.3

Any of the customer's claims arising from the resale of the goods subject to reservation of title – including any possible rights according to the German Contractors Security Law – shall already now be ceded to us. They shall serve as provision of security to the same extent as the goods that are subject to reservation of title. If the goods subject to reservation of title are sold by the customer together with other goods that have not been supplied by us, the claim arising from the resale shall be ceded at the ratio of the invoice value to the value of the other goods sold. If we are entitled to co-ownership shares, a portion corresponding to our co-ownership share shall be ceded to us.

7.4

The rights arising from the reservation of title and all the special forms specified in these conditions of business and supply shall apply until complete exemption from any contingent liabilities (cheque-bill of exchange-payment) we have entered into on behalf of the customer.

7.5

We undertake to release the securities that we are entitled to at our discretion insofar as their nominal value exceeds the receivables to be secured (provided these have not already been paid) by more than 10%.

7.6

In the event of film developing the final customer must be mentioned the film development is for. In any case the film remains our property. Only the named final customer keeps the right to use the film.

7.7

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8. Notification of Defects and Warranty

The customer shall have to examine the goods received immediately after receipt for quantity, quality and warranted characteristics. He shall have to give written notification of any obvious defects within a week.

8.2

In case of justified complaints, defective goods shall at our discretion either be rectified or replaced by substitute delivery.

8.3

The customer shall at his reasonable discretion have to grant us the time and opportunity required for remedial action; he shall in particular have to make available the rejected item or samples thereof or else the warranty shall lapse.

8.4

The customer may demand at his discretion cancellation of contract (repudiation of contract) or a reduction of the invoice amount (reduction of contract price), provided we neither rectify the defect nor make a substitute delivery within an adequate respite or rectification of the defect or substitute delivery are impossible or fail.

8.5

Any improperly executed modification or repair carried out by the customer or third parties shall discharge us from our liability for the resulting consequences.

8.6

If no other written agreement has been entered into, we shall grant the customer a 6 months warranty for the faultless manufacture or processing of the goods from date of delivery. For rectification of defects, the warranty period is 3 months and for substitute deliveries 6 months.

8.7

The customer accepts that the technical processing guidelines and test criteria communicated to the customer outside these terms of business shall apply for the performance of our services.

9. General Restriction of Liability

9.1

Our liability shall exclusively comply with the agreements entered into in the preceding chapter. Customer's claims for damages due to culpa in contrahendo, violation of secondary contractual obligations and illegal acts shall be ruled out, unless they are based on gross negligence. However, in that case our liability shall be restricted to replacement of predictable and typical damages up to a maximum of double the invoice amount. These claims shall come under the statute of limitations 6 months after receipt of the goods or acceptance of services rendered by the customer.

9.2

Any claims arising from the Product Liability Act shall remain unaffected by the above provision.

10. Place of Performance, Jurisdictional Venue, Applicable Law

10.1

Place of performance and exclusive jurisdictional venue for deliveries and payments (including summary action based on a cheque or bill of exchange) as well as for any disputes arising between the parties shall be our registered office, provided the customer is a merchant who has been entered in the German commercial register, a legal person under public law or a special fund under public law.

10.2

The relationship between the contracting parties shall be exclusively controlled by the law applicable in the Federal Republic of Germany, excluding the UN Purchasing Convention (CISG).

10.3

Should a provision of this agreement be invalid or become invalid or should this agreement contain an omission, then the legal effect of the other provision shall not thereby be affected. Instead of the invalid provision a valid provision is deemed to have been agreed upon which comes closest to what the parties intended; the same applies in the case of an omission.

Ahrensburg, 01.01.2015