



International Terms and Conditions of Purchase of the Vorwerk Group

(Status as of: March 2017)

I. Scope of Application

1) All contracts placed by companies of the Vorwerk Group shall be exclusively governed by the Terms and Conditions of Purchase stipulated below. The present Terms and Conditions of Purchase shall apply only if the Seller is an entrepreneur (Section 14 German Civil Code [*Bürgerliches Gesetzbuch - BGB*]), a legal entity under public law or a special fund under public law. The Terms and Conditions of Purchase shall apply, in particular, to any agreements on the sale and/or delivery of movable items (hereinafter also referred to as: Goods), irrespective of whether or not the Seller manufactures the Goods themselves or purchases them from any component suppliers (Sections 433, 651 German Civil Code [*BGB*]). The Terms and Conditions of Purchase in their respective version shall also apply as a framework agreement to any future agreements concluded with the same Seller on the sale and/or delivery of movable items, without Vorwerk being obliged to refer to them once again in each individual case; if any modifications are made to the Terms and Conditions of Purchase, Vorwerk shall inform the Seller thereof without undue delay.

2) Any deviating or complementary terms and conditions of the Seller shall not be applicable, even if the Seller indicates that the Seller is only willing to perform deliveries on the basis of the Seller's terms and conditions. The application of any terms and conditions of sale of the Seller shall herewith be explicitly rejected.

3) Acceptance of the delivery shall not be regarded as an acknowledgement of any terms and conditions of sale to the contrary even if Vorwerk does not explicitly object to them at the time of receipt; the same shall also apply to payment of the delivery without reservation. Upon confirmation or execution of the contract by the Seller, the present Terms and Conditions of Purchase shall be deemed to have been accepted even if the Seller refers to the Seller's terms and conditions of sale at the time of such confirmation or execution.

4) Any deviations from the Terms and Conditions of Purchase stipulated below shall require the explicit written consent of Vorwerk. They shall be valid only for such transactions for which they have been agreed upon. They shall not apply to any agreements concluded in the past, even if such agreements have not yet been implemented in their entirety. They shall apply to any future transactions only if the nature of such transactions remains unchanged.

5) Any legally relevant declarations and notices to be made by the Seller vis-à-vis Vorwerk after the conclusion of the agreement (for ex. setting of time limits, admonitions, declaration of withdrawal) shall require written form to become effective.

II. Offer and Conclusion of the Agreement

1) Any orders placed by Vorwerk shall be effective only if they are placed in writing or via an ordering system used by Vorwerk. The order number generated by Vorwerk shall be specified in the invoice for the contract. If Vorwerk is required to place any order in oral form in the individual case, such order shall become effective only by means of a written confirmation by Vorwerk. Vorwerk's order shall thus be deemed to be binding no earlier than upon the date of placement of the written confirmation. The Seller shall point Vorwerk to any obvious mistakes (for ex. clerical and computational errors) and omissions in the purchase order, including the order documents, for the purposes of ensuring correction and/or completion before the date of acceptance; otherwise, the agreement shall be deemed to have not been concluded.

2) Immediately after the purchase order has been received, the Seller shall issue an order confirmation or shall carry out the order without reservation, in particular by dispatching the Goods (acceptance). Vorwerk shall be entitled to revoke its order, without the Seller being entitled to charge any costs for such revocation to Vorwerk's account, if the order has not been accepted by the Seller within a period of two weeks following the date of receipt. Any delayed acceptance shall be regarded as a new offer and shall require acceptance by Vorwerk.

3) In the event that the Seller is unable or unwilling to execute the contract in accordance with the purchase order placed by Vorwerk, the Seller shall ensure, irrespective of the regulations laid down under clause I. of the present Terms and Conditions of Purchase, that the order confirmation indicates any such deviations in a particularly obvious manner. Vorwerk shall be bound to the deviations only to the extent that Vorwerk has consented to them in written form; apart from that, any deviating order confirmations shall be categorically rejected to the extent that they deviate from the purchase order. The correspondence associated with the contract shall be conducted only with the respective purchase department in charge, separately for each individual order and marked with the order number and/or any other reference numbers.

III. Delivery

1) The delivery time specified by Vorwerk in the purchase order shall be binding, even if it has not been explicitly indicated as being "binding". The date of receipt of the Goods by Vorwerk or by the receiving office determined by Vorwerk shall be indicative for compliance with the delivery dates. The Seller shall notify Vorwerk in writing without undue delay, specifying the reasons and the probable duration, if any circumstances do occur or become recognisable from which it can be inferred that the delivery time agreed upon cannot be complied with. Acceptance of the delayed delivery by Vorwerk without reservation shall not release the Seller from the rights of Vorwerk on account of the delayed delivery.

2) Any delivery deadlines agreed upon shall be extended to a reasonable extent if the Seller is prevented from fulfilling the Seller's obligations due to any event of force majeure. If delivery is delayed by more than four weeks in this case, Vorwerk shall be entitled to withdraw from the agreement either in whole or in part.

3) If the Seller comes into default with delivering the Goods, Vorwerk shall be entitled, at its own choice and notwithstanding the rights from paragraph 4), to claim delivery and compensation for damages on account of default in delivery (compensation for default) or, after setting a reasonable grace period of not more than three weeks, unless such grace period is dispensable in accordance with the statutory provisions, to claim compensation for damages, optionally compensation of expenditure, instead of performance or to withdraw from the agreement in accordance with Section 323 German Civil Code [BGB].

4) In case of any default on the part of the Seller, Vorwerk shall be entitled, without being obliged to set any grace period and notwithstanding any farther-reaching claims for compensation for damages, to demand a contractual penalty in the amount of 0.5% of the order value for each week commenced, but not more than 5% of the order value. Alternatively, Vorwerk shall be entitled, following expiry of a reasonable grace period set by Vorwerk, to have a third party carry out the service not yet rendered by the Seller at the Seller's expense. Vorwerk shall be entitled to demand the contractual penalty in addition to fulfilment and as a minimum amount of any compensation for damages owed by the Seller in accordance with the statutory regulations; the assertion of any further damage shall remain unaffected. Following the fruitless expiry of a reasonable grace period, Vorwerk shall be entitled, in particular, to claim compensation for damages instead of performance, with the liquidated damages being credited against such compensation for damages. The Seller shall be free to provide evidence that, Vorwerk did not suffer any damage at all or that the damage suffered by Vorwerk as a result of the Seller's default was lower.

5) Assignment of the Goods to Vorwerk shall be effected unconditionally and regardless of whether or not the purchase price is paid. In the event that Vorwerk accepts any conditional offer of the Seller for assignment in the individual case by paying the purchase price, however, the Seller's retention of title shall cease to apply upon payment of the purchase price for the Goods delivered at the latest. Vorwerk shall remain authorised to further alienate the Goods in the proper course of business even before the purchase price is paid by assigning in advance the claim resulting therefrom. As a result, all other forms of retention of title shall be excluded in any case, in particular the expanded retention of title, the forwarded retention of title and the retention of title extended to further processing.

6) The Seller shall be entitled to perform partial deliveries only on the basis of a special written arrangement.

7) Vorwerk shall be entitled to call for any quantities ordered for a particular delivery date in the form of partial deliveries up to four (4) weeks prior to that delivery date. Vorwerk may define a later delivery date for delivery of any remaining delivery quantity not accepted within the scope of a given partial delivery from the original delivery date. In case of any partial call order, the interests of the Seller shall be taken into account to a reasonable extent.

8) The weights, quantities and dimensions determined by Vorwerk during the incoming goods inspection shall be authoritative for Vorwerk upon settlement of the invoice.

9) Any reservations of self-supply of the Seller shall be excluded.

10) The Seller shall notify Vorwerk of any modifications made in relation to the type of composition of the materials processed or in the constructive design compared with any previous, equivalent deliveries and services before production begins or, to the extent that the Seller is not the producer, immediately after any knowledge has been gained of any such kinds of modifications. They shall require the written consent of Vorwerk. Vorwerk shall not be obliged to inspect any deliveries and services for homogeneity after they have been received.

IV. Dispatch, Passing of Risk and Acceptance

1) Unless anything to the contrary has been agreed upon, any deliveries shall be effected free of charge at the Seller's expense (including the costs of loading, unloading, packaging and return delivery of the empty containers, as well as including customs duties incurred, as the case may be) to the dispatch address specified in the purchase order. If the place of destination has not been specified and nothing to the contrary has been agreed upon, delivery shall be effected to Vorwerk's place of business in Wuppertal, Germany. The respective place of destination shall also be the place of performance (debt to be discharged at creditor's domicile).

2) The Goods shall be packed in an appropriate and professional manner in such a way that any damage, contaminations or alterations during transport will be excluded. Any approval of the packaging by Vorwerk shall not release the Seller from the Seller's responsibility to ensure regularity of the transport. Any packaging materials shall be taken back by the Seller upon Vorwerk's request.

3) The delivery shall be accompanied by a delivery note specifying the date (date of issue and dispatch), the contents of the delivery (item number and quantity) as well as the Vorwerk purchase order identifier (date and number), unless any arrangement to the contrary is made between the parties in the individual case.

If the delivery note is missing or incomplete, Vorwerk shall not assume any responsibility for any resulting delays in terms of processing and payment. Vorwerk shall be provided with a corresponding dispatch note with the same contents separately from the delivery note. Unless anything to the contrary has been agreed upon, the Seller shall issue and submit in a timely manner any dispatch notes and the delivery note as a single copy and the invoice in duplicate.

4) Any deliveries may be effected only at the times, at the locations and to the extent to which they have been defined by Vorwerk. Any deviating deliveries shall be to the detriment of the Seller and shall not justify any default in acceptance on the part of Vorwerk.

5) Receipt and/or acceptance, including by any third parties engaged by Vorwerk, shall always take place subject to the reservation of any and all rights, in particular those resulting from any defective or delayed delivery. If receipt and/or acceptance is prevented or considerably complicated by any circumstances which fall outside Vorwerk's sphere of influence, Vorwerk shall be entitled to postpone such receipt and/or acceptance for the duration of these circumstances. In the event that this takes place for a period of more than four weeks, the Seller shall be entitled to withdrawal from the agreement; any farther-reaching claims of the Seller shall be excluded.

6) The risk of accidental loss and of accidental deterioration of the item shall pass to Vorwerk upon handover at the place of performance. To the extent that any acceptance has been agreed upon, such acceptance shall be authoritative for the passing of risk. As for the rest, the statutory regulations of the German laws on contracts for goods and services shall apply mutatis mutandis in case of any acceptance. Handover and/or acceptance shall be performed irrespective as of whether or not Vorwerk is in default in acceptance.

7) Occurrence of any default in acceptance on the part of Vorwerk shall be subject to the statutory regulations, without prejudice to the regulations laid down in paragraph 6). However, the Seller shall expressly offer the Seller's performance even in such case that any identified or identifiable calendar time has been agreed upon for any act or cooperation on the part of Vorwerk (for ex. any provision of materials). If Vorwerk comes into default in acceptance, the Seller may claim compensation of the extra expenses incurred by the Seller in accordance with the statutory regulations (Section 304 German Civil Code [BGB]). In the event that the agreement relates to any irreplaceable item to be manufactured by the Seller (custom-made item), the Seller shall be entitled to any farther-reaching rights only if Vorwerk is obliged to cooperate and is responsible for the failure to cooperate.

8) Any events of force majeure and any other serious events as a result of which acceptance is considerably complicated, delayed or made impossible and which are not attributable to Vorwerk shall entitle Vorwerk to postpone acceptance of the Goods for the duration of the hindrance and to a reasonable start-up time or to withdraw from the agreement either in whole or in part to the extent that any acceptance is no longer economically viable. In this case, any claims of the supplier for supply, withdrawal or compensation for damages shall be excluded.

V. Prices, Payment

1) All prices agreed upon shall be fixed prices for the entire contractual period of execution and shall exclude any kind of subsequent claims. The Seller shall not grant Vorwerk any prices or terms and conditions that are less favourable than those granted to any other recipients supplied by the Supplier under the same terms and conditions.

2) Unless otherwise agreed upon in writing, the price shall include all services and ancillary services of the Seller, freight and transport as well as any customs duties, where applicable, to the delivery address specified by Vorwerk, any transport insurance and proper packaging.

3) Any payments shall be effected in accordance with Vorwerk's purchase order. To the extent that the purchase order does not contain any regulation, and unless anything to the contrary has been agreed upon, payment shall be effected with 3% discount after receipt of a proper invoice, by a means of payment of Vorwerk's choosing within a period of 14 days, calculated as from the date on which proper delivery is carried out and a proper invoice is received, or net within a period of 30 days after the date on which proper delivery is carried out and an auditable invoice is received.

4) To the extent that the Seller is obliged to make available any test samples, test reports, quality documents or any other documents,

completeness of delivery and performance shall also imply receipt of said documents and materials. Deduction of any cash discount shall also be permissible if Vorwerk makes any set-off or withholds any payments in an adequate amount on account of any defects; the payment deadline shall start to run once the defect has been remedied in full.

5) In case of any bank transfer, payment shall be deemed to have been effected in good time if the bank receives the transfer order prior to the expiry of the payment deadline; Vorwerk shall not be responsible for any delays on the part of the banks involved in the payment transaction.

6) Vorwerk shall not owe any interest on maturity. The default interest rate shall amount to five (5) percentage points per annum above the base interest rate. The date of occurrence of any default on the part of Vorwerk shall be governed by the statutory regulations, with a written admonition by the Seller being required in any case in derogation from this provision, where applicable.

7) Any advance payments by Vorwerk shall be collateralised by the Seller upon request of Vorwerk by providing an advance payment bond.

8) Vorwerk shall be entitled to any rights of set-off and retention as well as the plea of unperformed contract within the statutory limits. Vorwerk shall be entitled, in particular, to retain any payments due as long as Vorwerk is still entitled to any claims vis-à-vis the Seller from any incomplete or defective services.

9) The Seller shall have a right of set-off or retention only on account of counter-claims which have been legally established or are undisputed.

VI. Liability for Defects

1) The rights of Vorwerk in relation to any material and legal defects in the Goods (including any incorrect and short delivery as well as any improper assembly, defective assembly instructions, instructions manual or operating instructions) as well as any other breaches of duty by the Seller shall be governed by the statutory regulations, unless anything to the contrary is stipulated below.

2) Unless any deviating arrangement has been made or any longer time limits apply on account of any statutory regulations, the statute of limitations for any claims for defects shall amount to 36 months from the date of passing of risk. Vorwerk shall be entitled to any longer statutory statutes of limitations in accordance with Sections 438, 479 and 634a German Civil Code [BGB] in an unabridged form.

3) The Seller shall be liable in accordance with the statutory regulations in particular for ensuring that the Goods will have the agreed quality at the time the risk passes to Vorwerk. In any case, an arrangement made on the quality of the Goods shall be deemed to include all those product descriptions that are the subject matter of the respective agreement or have been included in the agreement in the same manner as the present Terms and Conditions of Purchase, in particular by way of any specification or reference in the purchase order of Vorwerk. In this context, it shall not make any



difference as to whether the product description comes from Vorwerk, from the Seller or from the manufacturer.

4) By way of derogation from Section 442 Para. 1 Sentence 2 German Civil Code [BGB], Vorwerk shall also be entitled to claims for defects without restriction in the event that Vorwerk has not become aware of the defect at the time when the agreement was concluded as a consequence of gross negligence.

5) Vorwerk shall be obliged to inspect the Goods for any kind of variations in identity and quantity as well as for any obvious defects within a reasonable period of time. The commercial obligation to inspect and to give notice of defects shall be subject to the statutory regulations (Sections 377, 381 German Commercial Code [HGB]), subject to the following provision: Vorwerk's obligation to inspect shall be limited to such apparent defects that can be visually identified during an incoming goods inspection within the scope of an external examination, including the delivery documents, as well as during the quality control through sample checks (for ex. transport damage, incorrect and short delivery).

To the extent that any acceptance has been agreed upon, any obligation to inspect shall not exist. Apart from that, the important question shall be to what extent any inspection is feasible according to the ordinary course of business taking into account the circumstances of the individual case.

Vorwerk's obligation to give notice of any defects identified at a later point in time shall remain unaffected. In all cases, the notification of defects (notice of defects) shall be deemed to have been made without undue delay and in due time if it is received by the Seller within a period of seven workdays.

6) The costs spent by the Seller for the purposes of performing the inspection and the subsequent improvement (including any removal and installation costs, as the case may be) shall also be borne by the Seller if it turns out that there was actually no defect. The liability of Vorwerk for compensation for damages in case of any unjustified request to remedy a defect shall remain unaffected; in this context, Vorwerk shall only be liable, however, if Vorwerk recognised or, due to gross negligence, did not recognise that there was no defect.

7) Vorwerk shall be entitled to the statutory claims for material and legal defects in full. Notwithstanding the above, Vorwerk shall be entitled, at Vorwerk's choice, to request the Seller to remedy the defect or to carry out a replacement delivery, unless the Seller may refuse to provide the kind of supplementary performance chosen by Vorwerk in accordance with Section 439 Para. 3 German Civil Code [BGB].

If the Seller does not start to remedy the defect within a reasonable time limit set by Vorwerk, Vorwerk shall be entitled, in urgent cases and after having heard the Seller, to take itself the measures required or to have third parties carry out such measures at the Seller's expense. Any farther-reaching statutory rights regarding defects on the part of Vorwerk shall remain unaffected.

VII. Recourse Against Suppliers

1) In addition to the claims for defects, Vorwerk's recourse claims defined by law within a supply chain (recourse against suppliers in accordance with Sections 478, 479 German Civil Code [BGB]) shall

be due to Vorwerk without restriction. Vorwerk shall be entitled, in particular, to request the Seller to perform precisely such kind of supplementary performance (subsequent improvement or replacement delivery) that is owed by Vorwerk vis-à-vis Vorwerk's recipient in the individual case. Vorwerk's statutory option (Section 439 Para. 1 German Civil Code [BGB]) shall not be restricted by this.

2) Before Vorwerk recognises or satisfies any claim for defects asserted by Vorwerk's recipient (including reimbursement of expenses in accordance with Sections 478 Para. 2, 439 Para. 2 German Civil Code [BGB]), Vorwerk shall notify the Seller and, briefly outlining the circumstances of the case, shall ask the Seller for a written position statement.

In the event that the position statement is not made within a reasonable time limit and if the parties are not able to arrive at an amicable solution either, the claim for defects actually granted by Vorwerk shall be deemed to be owed to the recipient; in this case, the Seller shall be obliged to provide evidence to the contrary.

3) Vorwerk's claims from any recourse against suppliers shall also apply if the Goods had been further processed by Vorwerk or by one of Vorwerk's recipients, for ex. by being incorporated into any other product, before they were alienated to a consumer.

VIII. Product Liability, Property Rights, Confidentiality

1) If the Seller is responsible for any product damage, the Seller shall indemnify Vorwerk, upon first demand, against any claims of third parties in this respect to the extent that and as far as the error or damage case been caused by an error in the Goods delivered to the Seller, the error can be attributed to the Seller or the Seller is liable itself in the external relationship.

2) Within the framework of the Seller's indemnification obligation, the Seller shall reimburse any expenses in accordance with Sections 683, 670 German Civil Code [BGB], in particular those required for legal defence and any recall actions of Vorwerk, as the case may be. As far as this is possible and reasonable, Vorwerk shall inform the Seller of the contents and scope of any recall actions and shall provide the Seller with the opportunity to make a position statement. Any farther-reaching statutory claims shall remain unaffected.

3) Para. 1 and 2 shall apply mutatis mutandis to the extent that any product errors can be traced back to deliveries or services of upstream suppliers or subcontractors of the Seller.

4) The Seller shall take out insurance with sufficient coverage, at least, however, in the amount of € 5 million, for any product liability risks including recall costs, shall maintain such insurance and shall provide Vorwerk with evidence of such insurance cover upon request at any time.

The Seller shall provide assurance that the delivery and use of the purchased Goods do not violate any property rights of third parties.

In the event that any claim is asserted against Vorwerk by any third party on account of any violation of property rights, the Seller shall be obliged to indemnify Vorwerk against these claims upon first demand. Apart from that, the Seller shall be obliged to reimburse all

expenses to be necessarily incurred by Vorwerk as a result of or in connection with the assertion of any claim by any third party.

5) The Seller shall maintain silence with regard to the know-how surrendered by Vorwerk to the Seller as well as about any idea and information of Vorwerk, shall not use it for any third-party contract or surrender it to any third parties either directly or indirectly.

6) Any and all inventions, deliverables and know-how achieved by the Seller or the Seller's staff or auxiliary agents in connection with any work carried out for Vorwerk shall exclusively be owed to Vorwerk for use by the latter, in fact free of charge and without any limitation in terms of time and space. The Seller shall notify Vorwerk in writing without undue delay of any and all inventions and deliverables as well as of any know-how generated in connection with the contracted activities and shall hand over to Vorwerk any existing drawings, models or written documents.

7) To the extent that this relates to any inventions or deliverables eligible for protection under property right laws, Vorwerk shall be entitled to acquire property rights in its own name both inside and outside Germany. To the extent that Vorwerk makes use of such right and this relates to an employee invention, the inventor shall directly receive an inventor remuneration from Vorwerk within the meaning of the German Act on Employee Inventions; the amount and maturity of the employee remuneration shall be governed by the internal guidelines of the Seller on inventions of employees or, if any such guidelines do not exist, by the internal guidelines of Vorwerk. Vorwerk shall not be obliged to pay any remuneration or fee to the Seller themselves.

8) Even to the extent that any inventions or deliverables provided by the Seller to Vorwerk are not eligible for protection under property right laws, the rights of use, to which Vorwerk is entitled in accordance with para. 4, shall be deemed to have been compensated by the remuneration paid for the contract.

9) The Seller shall be obliged to take all organisational and legal measures, including, but not limited to, the utilisation of any inventions of the Seller's staff, as well as to issue any statements required to ensure that Vorwerk will actually be able to make use of the rights referred to above.

IX. Delivery in Accordance with Information, Drawings, Models of Machines, Moulds, Tools

In the event that the Seller manufactures any Goods in accordance with information, drawings or models from Vorwerk, the Goods as well as the special facilities, matrices and similar devices suitable for their manufacture must be surrendered to any third parties only with the written consent of Vorwerk. The same shall also apply in the event that the Seller has procured the special facilities, matrices and similar devices at the Seller's own expense or if Vorwerk refuses acceptance of the ordered Goods on account of delayed or defective performance or refrains from placing any further contracts despite performance in good and due form. Any models, samples, drawings or technical documents of any nature whatsoever shall remain the ownership of Vorwerk and must be kept confidential; they shall be returned to Vorwerk upon request at any time, including any copies produced thereof, where applicable.

X. Ownership and Property Situation in Relation to Machines, Moulds, Tools, Materials and/or Devices

1) Vorwerk retains exclusive and unrestricted title to any machines, moulds, tools and/or devices made available by Vorwerk to the Seller.

2) To the extent that the Seller procures or manufactures any machines, moulds, tools and/or devices for Vorwerk upon request of Vorwerk, they shall become the exclusive and unrestricted ownership of Vorwerk in their respective condition, provided that Vorwerk pays the agreed purchase price in accordance with the arrangements made. In the event that Vorwerk solely pays only part of the value of the machines, moulds, tools and/or devices in accordance with the arrangements made, the corresponding pro-rata joint ownership shall pass to Vorwerk.

3) The Seller shall keep safe and maintain all machines, moulds, tools and/or devices of Vorwerk free of charge and with utmost care up to the date of handover to Vorwerk, in fact at least for the duration of ten years following the termination of the present arrangement; they may be scrapped only after Vorwerk has given its prior written consent.

4) Maintenance and servicing of such machines, moulds, tools and/or devices of Vorwerk shall be exclusively assumed by the Seller and at the Seller's own expense. Any costs for any follow-on machines, moulds, tools and/or devices shall be exclusively borne by the Seller. The output quantity shall thus be unlimited.

In the event that any machines, moulds, tools and/or devices of Vorwerk are damaged by the Seller, they shall be repaired in conformity with the drawings at the Seller's expense.

5) The Seller's right of possession to the machines, moulds, tools and/or devices of Vorwerk shall end with the Seller's inability to pay and/or overindebtedness, at the latest, however, once any application for the initiation of insolvency proceedings in relation to the Seller's assets is filed.

6) If there is any risk of disruptions in production at Vorwerk on account of any default and/or poor performance on the part of the Seller for any reason whatsoever, the Seller shall return Vorwerk's machines, moulds, tools and/or devices to Vorwerk without undue delay upon Vorwerk's request. Such return shall be effected regardless of any arrangements to be made between the parties, as the case may be, in order to prevent any disruptions in production at Vorwerk.

7) Any machines, moulds, tools and/or devices of Vorwerk which have been paid by Vorwerk shall be available to Vorwerk at any time in perfect working conditions, shall be clearly marked by the Seller as the property of Vorwerk and shall be stored by the Seller in a separately identified manner.

8) Any components manufactured with the machines, moulds, tools and/or devices owned by Vorwerk must be neither offered nor delivered to any third parties, and the related know-how must not be forwarded to any third parties either.



9) The Seller shall be obliged to take out insurance against material damage at the Seller's expense for such machines, moulds, tools and/or devices of Vorwerk that are stored on the Seller's premises. The Seller shall already now assign to Vorwerk all claims for compensation resulting from such insurance.

10) Any material made available and delivered by Vorwerk for the purposes of implementing the contract shall remain the property of Vorwerk. Any processing or treatment as well as any combining or mixing of the same with any goods, which are the property of third parties or are encumbered with any rights of third parties, shall be permitted only within the framework of the contract placed. In the event that the Seller fails to meet the Seller's obligations from the contract or comes into default, Vorwerk may prohibit treatment or processing at any time and may demand return of the material made available, notwithstanding the respective manufacturing condition. If any return is not possible for any legal grounds, the Seller shall pay adequate compensation for damages to Vorwerk for the material made available and delivered.

11) Processing or treatment of the material made available by Vorwerk shall be carried out for Vorwerk and on behalf of Vorwerk, without any liabilities arising to Vorwerk as a result thereof. Vorwerk reserves ownership to such material. In the event that the material delivered by Vorwerk is treated with any objects not belonging to Vorwerk, Vorwerk shall acquire joint ownership of the new item in the respective manufacturing condition in the ratio of the value of the material delivered by Vorwerk to the other objects treated at the time of treatment. The objects owned or jointly owned by Vorwerk shall be kept safe by the Seller with the due care and diligence of a prudent businessman.

12) Vorwerk reserves exclusive title as well as any and all copyrights to any illustrations, drawings, computations and other documents surrendered by Vorwerk to the Seller. They may be used only for their intended purpose and must be neither reproduced nor made accessible to any third parties, either directly or indirectly, nor evaluated in any other manner whatsoever without the written consent of Vorwerk. They shall be returned to Vorwerk upon request at any time. The documents shall be kept confidential vis-à-vis any third parties, i.e. also after the termination of the agreement. The confidentiality obligation shall cease to apply only after and to the extent that the knowledge contained in the documents surrendered has become common knowledge.

XI. Advertising

Use of the enquiries, purchase orders or exchange of correspondence of any nature whatsoever of Vorwerk by the Seller for the Seller's advertising purposes shall be prohibited. Any advertising with the business relationship existing with Vorwerk shall be permitted only with the explicit prior consent of Vorwerk.

XII. Export Control and Customs

1) The Seller shall be obliged to notify Vorwerk of any licensing requirements in relation to any (re-)exports of the Seller's Goods in accordance with German, European, US export and customs provisions as well as the customs provisions of the country of origin of the Seller's Goods in the Seller's business documents, as the case may be. To this end, the Seller shall at least specify the following

information in the Seller's quotations, order confirmations and invoices for the commodities positions in question:

- the export list number in accordance with Annex L to the German Foreign Trade and Payments Ordinance [*Außenwirtschaftsverordnung*] or comparable list positions of relevant export lists;

- for US Goods: the ECCN (Export Control Classification Number) in accordance with the US Export Administration Regulations (EAR);

- whether any export licence is required for the Seller's Goods;

- the trade policy origin of the Seller's Goods and the components of the Seller's Goods, including technology and software;

- whether the Goods have been transported through the United States, manufactured or stored in the United States or produced using any US technology;

- the statistical goods number (HS code) of the Seller's Goods.

2) Upon request, the Seller shall be obliged to provide Vorwerk in writing with any further foreign trade data in relation to the Seller's Goods and their components and to inform Vorwerk in writing without undue delay (before any corresponding Goods affected in this context are delivered) of all modifications made to the data referred to above.

XII. Applicable Law, Place of Jurisdiction and Miscellaneous

1) The present Terms and Conditions of Purchase and all legal relationships between Vorwerk and the Seller shall be governed by the laws of the Federal Republic of Germany, to the exclusion of international uniform law, in particular of the UN Sales Law. Any prerequisites and effects of the retention of title shall be subject to the laws applicable at the respective location of the item, in so far as the choice of law made is inadmissible or ineffective for the benefit of German law accordingly.

2) Regardless of the amount in dispute, the exclusive place of jurisdiction, also in any bills of exchange, cheque and summary procedure where the plaintiff relies entirely on documentary evidence, in the event that the parties are fully-qualified traders, legal persons under public law or special funds under public law, shall be the Local Court [*Amtsgericht*] of Wuppertal, Germany, who shall have factual and local competence for the place of business of Vorwerk at first instance. Vorwerk shall be entitled, however, to also file a suit against the Seller at the location of the court having jurisdiction over the Seller's place of residence or business or at the place of performance, even if such place of performance is located outside Germany. The same shall also apply if the Seller does not have a general place of jurisdiction in Germany, if, following the conclusion of the agreement, the Seller has relocated its place of residence or business or habitual abode to any country other than German or if the Seller's place of residence or business or habitual abode is not known at the time the action is filed.

3) Any modification of or amendment to the present agreement shall require written form to become valid. This formal requirement may only be waived in writing.