

## 1. Area of Application

1.1 PAV Card GmbH, hereinafter referred to as Party Awarding (= the party awarding the order), place their orders on the basis of these terms of purchase. The validity of these terms of purchase is recognized with confirmation or execution of the orders. To be valid, other terms and conditions deviating from these terms of purchase must be agreed to by Party Awarding in writing. The acceptance of delivery/performance, as well as of payments, by Party Awarding does not constitute such agreement.

1.2 These terms of purchase also apply for delivery/performance made and rendered by subcontractors of Party Accepting (= the party accepting the order), where the delivery/performance is made to the benefit of Party Awarding. Subcontractors of Party Accepting are consequently regarded as his/her/its executing aides.

## 2. Orders

Orders must be placed in writing. Verbal orders, amendments of orders and extensions of orders are only legally valid if confirmed in writing by Party Awarding.

## 3. Prices, Dispatch, Packaging

3.1 Prices agreed to on placement of the order are fixed prices, including transport costs, packaging, customs formalities, etc.

3.2 Transport risk and insurance until faultless delivery at the delivery address specified by Party Awarding are borne by Party Accepting.

3.3 The obligation of Party Awarding to accept the return of packaging is in accordance with the statutory provisions. Only environment-friendly and accident-preventive packaging may be used. The costs of receipt and return transport of the packaging is to be borne by Party Accepting.

3.4 All written documents sent by Party Accepting must bear the order number, order items and subject number of Party Awarding.

## 4. Delivery Dates, Default

4.1 The delivery dates agreed at the time of placement of order are to be regarded as fixed dates for receipt by Party Awarding. If Party Accepting realizes that an agreed delivery date cannot be met, for whatever reason, he/she/it must notify Party Awarding of this at once in writing, giving the reason for the delay and its anticipated duration. Party Awarding's right to withdraw the order, to obtain cost-compulsory replacement and/or to demand compensation due to non-performance remain unaffected.

Basically speaking, Party Accepting is obliged to make restitution for all direct and indirect damage caused by default. Party Accepting shall only be entitled to justification of the delay on the basis of documents or orders to be provided or placed by Party Awarding if the provision of the documents in question has been demanded in writing and the documents have not been subsequently provided within a reasonable period of time.

## 5. Force Majeure

5.1 Party Awarding is partially or wholly released from the obligation to accept the ordered delivery/performance and is, to this extent, entitled to rescind the contract – under consideration of the commercial aspects – if the delivery/performance is no longer utilizable as a consequence of force majeure, or delays due to labour disputes at the works of Party Awarding.

## 6. Early Delivery, Surplus/Short Delivery

6.1 Early delivery or surplus/short delivery is only permissible with the prior written consent of Party Awarding. In cases of deliveries made earlier than agreed to, and in cases of excessive delivery, Party Awarding reserves the right to return the goods at the cost of Party Accepting. If goods delivered early are not returned, these are then stored by Party Awarding until the delivery date at the cost and risk of Party Accepting.

## 7. Product Liability, Quality

7.1 Party Accepting guarantees with assurance that his/her/its delivery/performance complies with all of the specifications of the contract, the statutory provisions of Germany and the regulations and guidelines of the relevant professional and trade associations.

7.2 Party Accepting will obtain suitably high insurance cover for all risks associated with product liability, including the risk of recall, and will compensate Party Awarding for damage incurred due to violation of official safety regulations or domestic or foreign product liability regulations and laws by Party Awarding's products that can be traced to deliveries from Party Accepting.

7.3 Party Accepting shall ensure that an appropriate quality assurance procedure, in terms of both type and scope, is adopted and shall provide Party Awarding with evidence of this on request. Where possible, Party Accepting shall mark his/her/its products such that they are permanently recognizable as being his/her/its products.

## 8. Warranty

8.1 The warranty period is 24 months after defect-free delivery/performance. Where a longer warranty period is foreseen by the legislator or Party Accepting, this longer period applies. Party Awarding will give notification of obvious defects immediately after their detection, though within 14 calendar days of receipt. Notification of defects first detected during finishing work, further processing or utilization will be made within 14 calendar days of their detection.

8.2 Party Awarding is entitled to refuse to accept defective delivery/performance. Party Accepting is required to refund Party Awarding for all costs incurred as a result of defective delivery/performance, in particular for the inspection, separation, return, replacement, resulting loss of productivity, compensation of customers and loss of profit. A delivery/performance is also defective if it fails to survive commercial utilization over a standard period of time without defect.

8.3 In the event of warranty Party Awarding is entitled, at its own preference, to rescission of contract, price reduction, free replacement, immediate and free subsequent improvement or repair and /or compensation. If Party Accepting fails to correct the defects in good time, Party Awarding is entitled to have these defects corrected at the cost and risk of Party Accepting. Party Awarding is entitled – without previous consultation – to correct small defects itself or to have these corrected by a third party. The same applies if there is a danger that unusually high damage may occur. The warranty obligations of Party Accepting remain unaffected in these cases. Neither the acceptance nor use of a delivery/performance or of documentation received from Party Accepting constitutes any waiving of rights on the part of Party Awarding.

8.4 Party Accepting guarantees delivery of spare parts for a minimum period of ten years beginning with product launch. Products have to be discontinued in writing. In case of product discontinuation the Party Awarding has the right to place a last time order.

## 9. Invoice, Payment

9.1 Payments are made in accordance with the conditions specified with the order. The payment period begins, at the earliest, after full and defect free delivery and performance, though not prior to the agreed delivery date or to a properly delivered invoice (in duplicate).

9.2 In the event of faulty delivery, Party Awarding is entitled to withhold a value-equivalent part of the payment until proper performance has been rendered. Fundamentally, payments are made subject to inspection of the delivery/performance and its acceptance as being in accordance with the contract.

9.3 The assignment of claims and entitlements or pledges requires the written consent of Party Awarding.

## 10. Protected Rights

10.1 Party Accepting guarantees with assurance that all deliveries and performances are free of protected rights of third parties and that in particular neither patents nor licences nor other protected rights of a third party will be violated as a result of use of the delivery/performance. Party Accepting shall bear all costs faced by Party Awarding and its customers arising from any infringement of protected rights, including licences for use.

## 11. Secrecy

The contracting parties undertake to treat all non-manifest business or technical information made known to them as a result of the business relationship as business secrets. Subcontractors must be obligated accordingly.

## 12. Final Provisions

12.1 Should any part of these terms of purchase prove to be legally invalid, this shall not impair the validity of the remaining provisions. The contracting parties will immediately make efforts to find other legally permissible means of attaining the commercial success targeted by the invalid regulation.

12.2 The place of performance for the delivery obligations is that of the dispatch address or place of utilization named by Party Awarding. For all other obligations of both parties it is the registered place of business of Party Awarding.

12.3 The place of jurisdiction is Luebeck. Party Awarding shall nevertheless also be entitled to enforce its claims at the general place of jurisdiction of Party Accepting.

12.4 The privity of contract and all contractual relations hereunder shall be governed by the United Nations Convention on Contracts for the International Sale of Goods of April 11, 1980. Supplementary thereto the laws of the Federal Republic of Germany shall apply.

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