

Purchase Terms of MEIJI SANGYO EUROPE GmbH („MEIJI“) and its contractual partner(“Supplier”)

1. Applicability of these terms:

(1) These purchase terms (the “General Terms”) shall be applicable exclusively to business operators (within the meaning of Sec. 14 of the German Civil Code or “BGB”), They shall apply to all subsequent transactions and business relationships at present or in the future regarding the purchase of goods or services by MEIJI.

(2) All deliveries, performances, services and sales transactions (“Products”) shall be carried out in accordance with these terms of conditions. Contradictory or conflicting general terms of Supplier, shall not be binding upon MEIJI, unless MEIJI has expressly declared its approval. In case two letters of confirmation are crossing, which contain conflicting terms, the letter of MEIJI is binding.

(3) All Agreements and orders shall be executed in writing to be valid. Oral side agreements do not exist. Proof to the contrary is not excluded.

2. Execution of the contract

Offers made by MEIJI shall not be binding. MEIJI may accept offers within four weeks. Amendments, changes or sub-agreements with respect to the contract require the written (fax) confirmation of MEIJI in order to be legally valid. This shall also be applicable for contracts concluded by staff members or sales agents. Offers made by phone or verbally are only binding if they fully comply with a written offer. The aforementioned terms shall not be applicable to amendments which are concluded after the commencement of the contract.

3. Prices and payment

Prices are quoted in EURO and DDP (Incoterms 2000) registered seat of MEIJI, inclusive of packaging, transport protection and pallets, freight, transportation, insurance and assembly, if applicable, unless expressly otherwise mutually agreed upon in writing. In case of doubt, prices are inclusive VAT, unless established business practice indicates the contrary. In case no indication has been made sales, turnover or other taxes or duties are also included. Supplier shall be liable for paying all applicable taxes, customs and duties.

4. Delayed delivery

Delivery periods or times shall be deemed to be binding, unless it has been expressly agreed, that this is not the case. In any event where Supplier’s performance and, in particular deliveries, are substantially impaired or even become impossible due to reasons for which Supplier is neither responsible nor liable, such as Force Majeure, MEIJI shall – even in case the performance remains possible - be entitled to withdraw from the respective contract in whole or in part, provided a suitable grace period has been set by MEIJI After futile elapse of the foregoing grace period for reasons MEIJI is not liable for, MEIJI shall be entitled to cancel the respective Order. In case of default (“Verzug”) MEIJI be entitled to a penalty payment of 0,5 % of concerned the order value for each full calendar week in which the default lasts, but not more than 5 %. The Supplier is entitled to prove to MEIJI, that less damage has been caused by the default. In that case the lower amount has to be paid as a contractual penalty. All statutory rights of MEIJI remain intact besides these regulations.

5. Timely delivery

Default of Acceptance shall be assumed only if Supplier has offered delivery during the exact time frame provided by the order or in case no time has been provided during normal business hours at the place of delivery. The delivery must be complete, correct and without defects.

6. Place of Performance for all deliveries shall be the registered address of MEIJI - or in its sole discretion - the place of delivery. Unloading lies solely within the responsibility of Supplier at its own expense.

7. Liability

Warranty („Gewährleistung“) shall be granted for all services and deliveries of the Supplier in the amount and under the prerequisites of all applicable statutory and judicial regulations. No warranty claims shall be time-barred before 3 years since the transfer of risk, which commences upon first use of the purchased good by the end customer. In case of doubt, any specification of the functionality, the reliability or the characteristics of the Product shall be interpreted as a guarantee granted by Supplier pertaining to delivered Product.

8. Inspection on delivery

The requirement to make a complaint in respect of a defect immediately on receipt of Products according to sec. 377 HGB shall be made in writing or verbally within a time frame of 30 working days. In case a defect is detected after the receipt, such complaint shall be made with a time frame of 8 weeks.

9. Payments

Payments shall be due within 60 days after the issuance of the invoice, provided the Product has been delivered before or together with the issuance of the invoice. In case the payment is remitted within 5 days, MEIJI is entitled to deduct skonto (“cash discount”) in the amount of 3 % of the total value, including tax and auxiliary costs. The Supplier is not entitled to retention or set-off of claims, unless the counter-claim against MEIJI is undisputed or awarded by a competent court and thus legally binding.

10. Deliveries

The packaging shall be sufficient to fully protect the Product during transport and warehousing from any foreseeable risks and hazards. A lack of protection due to an insufficient packaging qualifies as a defect of the Product itself. The Supplier undertakes to insure the supply with spare parts for his product for a reasonable and foreseeable period of time in sufficient quantity. Default in supplying spare parts qualifies as a defect of the Product itself. In case of doubt software shall be delivered with the source code and a full documentation and a handbook. The transfer of Intellectual property rights shall be, in case of doubt, effected in return for the payment according to clause 9.

11. Choice of forum

All legal disputes arising directly or indirectly from the contract shall be exclusively submitted to and resolved by the courts of Düsseldorf/Germany. The contractual relationship is governed exclusively by German law (especially BGB und HGB) under the explicit exclusion of its collision rules and the UN Convention on the Sale of Goods (CISG).

12. Severability

The business relationship between Supplier and MEIJI is exclusively governed by these General Terms. The proof of the existence of other agreements to the contrary is admissible. The invalidity or unenforceability of one or several of the terms and provisions set forth above shall not affect the validity of the remaining terms. The invalid or unenforceable term shall then be replaced by the parties hereto with a legally valid term whose contents come as close as possible to the economic purpose originally intended and pursued with the invalid term.