



Landes Germany

GENERAL TERMS AND CONDITIONS OF PURCHASE

Sec. 1

General Provisions / Scope of Application / Exclusion of Conflicting GTC

(1) Our Terms and Conditions of Purchase shall apply exclusively; we will not accept any terms and conditions of Supplier that conflict with or deviate from our Terms and Conditions of Purchase, unless we have expressly approved their validity in writing. Our Terms and Conditions of Purchase shall apply even if we accept Supplier's delivery without reservation despite being aware of Supplier's terms and conditions that conflict with or deviate from our Terms and Conditions of Purchase.

(2) All agreements made between us and Supplier for the purpose of executing the respective contract shall be laid down in writing in this contract.

Sec. 2

Acceptance Period

Our offers (orders) may only be accepted within a period of 7 calendar days.

Sec. 3

Specifications in Purchase Orders as Quality Agreement

The specifications provided in our purchase orders (such as data, information, product descriptions, chemical compositions, drawings, and illustrations) shall be binding and shall, upon acceptance of the order by Supplier, be deemed a part of a quality agreement within the meaning of Section 434 (1) BGB [German Civil Code].

Sec. 4

Confidentiality of Purchase Orders

(1) We shall retain ownership and copyright to illustrations, drawings, calculations, chemical analyses as well as other documents or electronically stored data; they may not be made available to third parties without our express written consent. Such information and any copies thereof shall be used exclusively for manufacturing the goods on the basis of our order; after execution of the order, they shall be returned to us without separate request. They may not be disclosed to third parties.



Landes Germany

(2) Supplier is committed to treat documents within the meaning of the above provision, as well as all other information described, as strictly confidential. He shall make all the arrangements to ensure that no unauthorized persons can gain access to such confidential information. Supplier will therefore, in a suitable way, see to it that his staff will maintain confidentiality regarding such information for a period of 3 years after termination of their contract of employment. The obligation to maintain confidentiality shall also continue to apply after execution of the contract. It will only expire if and to the extent that the manufacturing know-how contained in the documents provided has become generally known.

Sec. 5 Prices – Terms of Payment

(1) Our prices shall be binding. The prices are quoted in Euros. The return of packaging requires a separate agreement.

(2) Our prices include value-added tax at the statutory rate.

(3) We are only able to process invoices if they – according to the specifications in our purchase order – show the order number stated therein; Supplier shall be responsible for all consequences arising from the failure to comply with this obligation, unless he is able to prove that he is not responsible for the noncompliance.

(4) Unless agreed otherwise in writing, we shall pay the purchase price within 14 days of delivery and receipt of the invoice subject to 3 percent discount or within 30 days net of receipt of the invoice.

Sec. 6 Place of Performance

Unless stated otherwise in the purchase order, the place of performance shall be our place of business.

Sec. 7 Delivery Period

(1) The maximum delivery period for leather products is 30 calendar days of receipt of the order. For belts the maximum delivery period is 100 calendar days. For all other products the maximum delivery period is 7 days.

(2) Supplier undertakes to notify us in writing without delay if he becomes aware of any circumstances indicating that the agreed delivery period cannot be met. In this case, the period for subsequent performance shall be 14 calendar days. After expiry of this period, we shall be entitled to withdraw from the contract.



Landes Germany

(3) In the event that the delivery date agreed in the order confirmation cannot be met for reasons for which Supplier is responsible, a contractual penalty of 0.5% of the contract value shall be payable with the second day, and of 1% for each subsequent week. The maximum amount of contractual penalty shall be 5% of the total contract value.

(4) We reserve the right to assert further statutory claims (withdrawal or compensation in lieu of performance). This includes our right to claim reimbursement of follow-up costs resulting from the default of delivery, provided that the Buyer has to acknowledge these with regard to his customers.

(5) Supplier shall be entitled to prove that we sustained no or considerably less damage as a result of the default.

Sec. 8 Transfer of Risk

The risk of accidental loss or accidental deterioration shall be transferred to us upon handover of the goods at our place of business in Germany.

Sec. 9 Cost of Transportation

Our Supplier shall bear the cost of delivery and the insurance to be taken out for the same up to handover to our forwarding agent in Germany.

Sec. 10 Customs Clearance – Documents

(1) Our Supplier shall be obliged to state the correct value of the goods in the customs invoice.

(2) Furthermore, our Supplier shall be obliged to precisely state our order number in all shipping documents and delivery notes; if he fails to do so, we shall not be responsible for any resulting delays in processing.

(3) Furthermore, our Supplier shall be obliged to observe the applicable packaging regulations.



Landes Germany

Sec. 11 Examination for Defects / Liability for Defects / Period of Limitation for Warranty Claims

- (1) We shall be obliged to examine the goods for any variations in quality and quantity within a reasonable period; the notice of defects shall be deemed timely if received by Supplier within a period of 7 calendar days of receipt of the goods or, in the event of concealed defects, of discovery.
- (2) We shall be entitled, at our option, to demand from Supplier either rectification of the defects or delivery of substitute goods.
- (3) We shall be entitled to rectify the defects ourselves at Supplier's expense if Supplier defaults on the subsequent performance.
- (4) The period of limitation for warranty claims shall be 36 months, starting on the date of transfer of risk.

Sec. 12 Proprietary Rights of Third Parties / Indemnity

- (1) Supplier represents and warrants that his delivery is not associated with any infringement of third-party rights within the Federal Republic of Germany.
- (2) In the event that a third party asserts corresponding claims against us, Supplier shall be obliged to indemnify us from these claims upon first written request. In the event that the third party asserts claims for compensation, Supplier reserves the right to prove that he is not responsible for the infringement of third-party rights.
- (3) We shall not be entitled – without obtaining Supplier's consent – to enter into agreements, in particular to effect a settlement, with the third party in respect of his proprietary rights within the Federal Republic of Germany.
- (4) Supplier's indemnity obligation shall extend to the expenses for the working time of our employees as well as any expenses incurred in pursuit of rights arising from or in connection with the assertion of claims by a third party.
- (5) The period of limitation for our indemnity claims shall be 36 months, starting on the date of transfer of risk.



Landes Germany

Sec. 13 Product Liability – Indemnity – Liability Insurance

(1) To the extent that Supplier is liable for product damage under the Product Liability Act, he shall be obliged to indemnify us from any corresponding claims for compensation asserted by third parties upon first request.

(2) Within the scope of his own liability for damage within the meaning of (1) above, Supplier shall also be obliged to reimburse us for any expenses pursuant to Sections 683, 670 BGB or Sections 830, 840, 426 BGB arising from or in connection with a recall campaign conducted by us by virtue of a legal obligation. We shall inform Supplier – to the extent possible and reasonable – of the content and scope of such recall campaigns in good time in advance and shall provide him with the opportunity to make a statement.

(3) We shall take care of the required notification of the respective competent authority in accordance with the provisions of the ProdSiG [German Product Safety Act] in consultation with Supplier.

(4) Supplier undertakes to take out product liability insurance with a blanket coverage of EUR 10 million per personal injury/property damage; this shall be without prejudice to any further claims for compensation we may be entitled to.

Sec. 14 Transfer of Ownership / Exclusion of Retention of Title and Extended Retention of Title

(1) The ownership of the goods we ordered shall be transferred to us upon handover to our forwarding agent in Germany.

(2) Supplier's rights under retention of title and extended retention of title shall be excluded.

Sec. 15 Provision of Items

(1) Insofar as we provide Supplier with items, we shall retain the title to them. Any processing or transformation by Supplier shall be carried out on our behalf. If our retained goods are processed with other items to which we do not hold the title, we shall acquire joint ownership of the new product in proportion of the value of our item (purchase price plus VAT) to the other processed items at the time of processing.



Landes Germany

(2) If the item we provided is inseparably mixed with other items to which we do not hold the title, we shall acquire joint ownership of the new product in proportion of the value of our item (purchase price plus VAT) to the other mixed items at the time of mixing. If the mixing is carried out in such a way that Supplier's item is considered to be the main item, it shall be deemed agreed that Supplier shall transfer to us proportional joint ownership; Supplier shall keep the sole or shared property for us.

(3) To the extent that the securities we are entitled to pursuant to (1) and/or (2) above exceeds the purchase price of all retained goods not yet paid for by more than 10%, we shall be obliged to release the securities at our option upon Supplier's request.

Sec. 16 Tools

We shall retain the title to tools; Supplier undertakes to use the tools exclusively for manufacturing the goods we ordered. Supplier shall, at his expense, insure at replacement value the tools to which we hold the title against damage caused by fire, water and theft. At the same time, Supplier hereby assigns to us all compensation claims under this insurance. We hereby accept the assignment. Supplier shall be obliged to perform any necessary maintenance and inspection work as well as all servicing and repair work on our tools at his own expense in a timely manner. He shall notify us of any incidents without delay; if he culpably fails to do so, any claims for compensation shall remain unaffected.

Sec. 17 Confidentiality on Provision of Items

Supplier undertakes to keep strictly confidential any and all illustrations, drawings, calculations as well as other documents and information received upon provision of items. They may only be disclosed to third parties with our express consent. The obligation to maintain confidentiality shall also continue to apply after execution of this contract. However, it shall expire if and to the extent that the manufacturing know-how contained in the illustrations, drawings, calculations, and other documents provided has become generally known or is proven to have already been known to Supplier prior to the disclosure pursuant sentence 1 above.

Sec. 18 Place of Jurisdiction

If Supplier is a merchant, the place of jurisdiction shall be our place of business; however, we shall also be entitled to bring legal action against Supplier before the competent court at his place of business.



Landes Germany

**Sec. 19
Choice of Law**

Any disputes regarding or arising from this contract shall be governed by the law of the Federal Republic of Germany, without giving effect to the provisions of the United Nations Convention on Contracts for the International Sale of Goods (CISG).

**Sec. 20
Final Provisions**

Should individual provisions of the contract be or become legally ineffective, this shall not affect the validity of the remaining part of the contents of this contract.