

## General Terms and Conditions

1. Orders will be accepted by BONNER FAHNENFABRIK on the basis of these Terms and Conditions only. In case the customer will refer to their own "General Terms and Conditions" and such Terms and Conditions will conflict with the Terms and Conditions herein, only the Terms and Conditions of BONNER FAHNENFABRIK shall be deemed agreed between the Parties.
2. **Offers** are subject to confirmation. Any person representing BONNER FAHNENFABRIK will be entitled to agency only, but not to conclusion or amendment of contracts. Any closing or additional Agreement will only become effective if approved by BONNER FAHNENFABRIK in writing.
3. **Deliveries** will be made **ex works**, unless agreed upon otherwise in writing, namely via rail, postage, carrier or other transport upon discretion of BONNER FAHNENFABRIK. Deliveries will be made at the customer's own risk, unless the customer is consumer in terms of § 13 BGB (German Civil Code). Prices are exclusive of transport and packaging costs as well as VAT according to legal provisions applying, which will be added. BONNER FAHNENFABRIK has concluded transport insurance in favor of their customers. Unless the customer explicitly waives such insurance coverage, the pro-rata expenses will be invoiced.
4. **Payment of invoices** will be due upon receipt of the invoice without deduction. In cases of check payment, payment shall be deemed accomplished after cashment. Only such representatives of BONNER FAHNENFABRIK showing a power of collection provided with photograph, are entitled to acceptance of money. The customer will only be entitled to off set of counterclaims or retention, if relating to claims that are uncontested or have become res judicata.
5. When **manufacturing** goods according to the customer's samples, BONNER FAHNENFABRIK is obliged to reproduce them as well as possible, however, unimportant deviations with regard to colors, in consequence of technical possibilities in textile printing and different coloring of varied basic materials, must be reserved. Such deviations will also constitute due performance according to the Agreement. The same shall apply with regard to a comparison between machine proof and print merge.
6. In cases of **special design** according to the customer's samples, any potential violation of third parties' **intellectual property rights** will be at the customer's expense and risk. With regard to loss and damage of the provided print samples, originals or other items, BONNER FAHNENFABRIK will only be held liable in case of intention and gross negligence. If such provided material shall be insured against theft, fire, water or any other risk, the customer shall arrange for such insurance themselves. If, after completion of the order, such provided samples will not be claimed for return by the client within four (4) weeks, BONNER FAHNENFABRIK will no longer be liable. Print proofs or designs will only be provided by BONNER FAHNENFABRIK upon particular accord between the Parties. Such material shall at any case remain the sole property of BONNER FAHNENFABRIK, and must not be altered, partly or entirely copied, or made accessible to third parties. This shall also apply to press tools, lithos and repro-preserves (negative patterns) as well as other design samples produced by BONNER FAHNENFABRIK, even if the customer has paid a proportion of tool expenses. However, such material will be provided to the client in case of subsequent orders for an appropriate period of time.
7. **Deviations** in breadth and length are allowed within the common tolerances of +/- 5%. Due to print technical reasons, short deliveries or excess deliveries which are customary in trade with up to +/- 10% with regard to all goods produced with print tools must be reserved, whereas such might be rounded up to full quantities and invoiced accordingly.
8. **Terms of delivery** will begin with clarification of order at the earliest; this shall apply in particular, if information, drawing material or other cooperation on the side of the customer is required. Any **term of delivery** given to the customer is understood as dispatch ex works.
9. **Defects** of the goods delivered will be remedied by BONNER FAHNENFABRIK within due time, provided that such defect was already existing at the passing of risks. The remedy will be implemented by rectification of defect or replacement free of charge. In case of replacement, the customer is obliged to return the defective goods. If any defect might not be remedied within due time, or if rectification or replacement must be deemed failed for other reasons, the customer is entitled, upon their choice, to decrease of payment or rescission from the contract.

If the customer is merchant and the contract belongs to their commercial business, the customer is obliged to inspect incoming goods with regard to defects immediately and to give notice of any defect within two (2) weeks after cognition at the latest. In the event of a violation of such inspection and notification obligation, the goods delivered shall be deemed accepted also with regard to any potential defects.
10. In case of **delivery of flagpoles**, BONNER FAHNENFABRIK will not be liable with regard to static, fixation resp. the subgrade. It will remain the customer's own responsibility to arrange for the technical provisions of the flagpole installation.
11. In events of **force majeure** or any other extraordinary events beyond the sphere of influence of BONNER FAHNENFABRIK (e.g. war and warlike events, riot, blockage of transportation routes or other delay in transportation, lack of raw material supply, breakdown of business or strike), which will make impossible or impede delivery, BONNER FAHNENFABRIK will be, without obligation to pay damages, for the period of such impediment, be entitled to restrict, cease, defer the performance or to rescind from the contract.

If any of the above mentioned events will lead to a considerable increase of prime costs, BONNER FAHNENFABRIK is entitled to increase their prices accordingly, or if the customer refuses such price increase, to rescind from the contract.

12. **Claims for damages** on the side of entrepreneurs in terms of § 14 BGB (German Civil Code), including claims for torts, will be excluded regardless of the kind of breach of contract, unless BONNER FAHNENFABRIK has acted upon intent or gross negligence. If cardinal obligations under the contract are violated, BONNER FAHNENFABRIK will be liable for any kind of negligence, however, only to the amount of foreseeable damages. Claims for loss of profit, saved expenditures or claims for indirect or remote damages are excluded. Such limitation of liability shall, however, not apply with regard to liability for warranty, with regard to claims under the German Product Liability Act (Produkthaftungsgesetz) as well as damages resulting from death, injury or damage to health. As far as liability of BONNER FAHNENFABRIK is excluded or limited, this shall also apply with respect to actions of their employees, representatives, agents and auxiliary persons.

Any liability of BONNER FAHNENFABRIK adverse consumers in terms of § 13 BGB (German Civil Code) in case of slight negligence will be limited to the average damages which are foreseeable and typical for the type of contract.

13. BONNER FAHNENFABRIK will be entitled to **partial delivery**, which will be treated as particular dealings with regard to payment terms.
14. Until complete payment of the remuneration and settlement of any balance according to a current account of the client, the goods delivered are subject to reservation of title in favor of BONNER FAHNENFABRIK. In this context, the customer will only be entitled to resale of the goods within the cause of proper business, however, goods must not be forfeited or transferred by way of security. If the goods are resold within the course of proper business, the customer hereby assigns and transfers in advance by way of security towards BONNER FAHNENFABRIK any claim for purchase price against third parties. BONNER FAHNENFABRIK hereby accepts such assignment and transfer.
15. Goods delivered according to the order, are non-returnable. Only with regard to saleable goods, the delivery of which is made from stock, BONNER FAHNENFABRIK might consent to a return by way of reverse-charge-procedure. In such case, any additional costs incurred or incurring for the dispatch of the goods as well as service fee in the amount of 10% as of the merchandise value, however, at least 15,00 EURO, will be charged to the customer.
16. In cases of small orders with a net merchandise value of 40,00 EURO, an additional charge for small orders in the amount of 10,00 EURO will be charged. Any small order will only be settled cash on delivery or against advance payment, at the customer's costs.
17. Any dispute arising out of or in connection with the contractual relationship will be subject to the substantial laws of Germany only, excluding conflict of laws principles and the UN-Convention on the International Sale of Goods (CISG).
18. **Place of performance**, for both Parties, will be Bonn, Germany. The competent courts of Bonn, Germany, will have exclusive jurisdiction and venue over all claims and disputes arising out of or in connection with the contractual relationship, including proceedings by the record or on bill of exchange. In relation to consumers, this shall only apply with regard to dunning proceedings.
19. BONNER FAHNENFABRIK and the customer agree that in case of **partial invalidity** of this Agreement, the invalid parts will be substituted by the legal provisions, and the remaining parts will be unaffected.

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