2. Orders

1. The contractual relationship between the Contractor and Melos GmbH (hereinafter referred to as "Principal") regarding the deliveries and services provided by the Contractor (hereinafter jointly referred to as "Delivery") shall be based on the order and on these Conditions of Purchase.

2. Contractor’s conditions of delivery and other terms of contract of the Contractor, as well as any amendments or supplements to the order, shall not be part of the contractual relationship between the Contractor and the Principal unless expressly agreed upon.

3. In addition to these Conditions of Purchase, the statutory provisions shall apply if and to the extent the statutory provisions are not amended or explicitly excluded by provisions of these Conditions of Purchase.

3. Invoices / Taxes

1. The Contractor shall make out a separate, verifiable and clear invoice for each order. Each invoice shall state the order details (Principal order number, date of order, material number, quantity and price) and shall comply with the statutory provisions governing invoicing in the country in which Principal has its domicile.

2. Taxes not included in the delivery price, plus any value added tax or tax similar to value added tax at the statutory tax rate that applies at the point in time of taxation. The aforementioned taxes shall be borne by Principal irrespective of the country in which they arise. The Contractor shall reimburse Principal for any taxes deducted at source irrespective of the country in which they arise. All other taxes, levies, duties, fees and other charges shall be borne by the Contractor itself or, as the case may be, reimbursed to Principal, irrespective of the country in which they arise.

4. Payments

1. Payments shall be made within 14 days less 3 % cash discount or net within 30 days. Unless otherwise agreed, Principal shall be entitled to make payments in Euros.

2. The term of payment commences as soon as the Delivery has been taken or, as the case may be, accepted and an invoice in due form has been received by Principal. If Deliveries are taken or, as the case may be, accepted ahead of schedule, the term of payment shall commence on the agreed date of delivery. Cash discount shall be permissible even if Principal makes a set-off or withholdings in a reasonable amount due to defects.

5. Delivery Time / Deliveries / Contractual Penalty / Permits

1. All agreed dates and periods shall be binding. Deliveries prior to the agreed dates or periods shall require the prior written consent of Principal. If Deliveries are effected prior to the agreed dates or periods without the prior written consent of Principal, Principal reserves the right to return such Deliveries at the expense and risk of the Contractor.

2. As soon as the Contractor realizes that it will not meet a date or period, it shall inform PRINCIPAL without undue delay in writing of the period of the delay, indicating the reasons for the delay and the planned corrective measures. The assertion of any rights due to the delay by PRINCIPAL shall remain unaffected.

3. If the Delivery is in delay in delivery, in whole or in part, PRINCIPAL shall be entitled to claim a contractual penalty for each delay, amounting to 0.3 % of the value of the respective delayed Delivery for each completed working day of such delay, but not exceeding 5 % of the value of respective delayed Delivery. This shall not affect any claims for performance or damages; however, the contractual penalty shall be credited against any claims for damages due to such delay. PRINCIPAL shall be entitled to claim the contractual penalty until the final payment is made, even if it does not reserve such right at the time of taking or, as the case may be, accepting the respective Delivery.

4. The Contractor shall obtain written assurance from these parties that they will require them to provide written confirmation of compliance. In addition, PRINCIPAL shall obtain written assurance from these parties that they will require other subcontractors or personnel service providers as may be engaged to comply with the requirements.

5. Contractor shall indemnify Principal against justified claims any employee of the Contractor or any employee of a subcontractor, regardless of level, or of a personnel service provider used has brought forward towards Principal as guarantor of payment of the statutory minimum wage or industry minimum wage, or claims by one of the institutions of the collective bargaining agreement parties named in section 8 of the respective collective bargaining agreement parties.

6. If the acceptance test reveals defects which are not only minor defects, PRINCIPAL will refuse acceptance without undue delay after finishing the acceptance test. The Contractor’s obligation to remedy minor defects without undue delay shall remain unaffected.

7. The taking, commissioning, use, or resale of the Delivery or any payments shall not be considered as acceptance.

8. If partial acceptance has been agreed, the aforementioned acceptance provisions shall apply to such partial acceptance mutatis mutandis; all partial acceptances shall be preliminary and subject to overall acceptance.

9. Obligation to Examine and Give Notice of Defects

1. Once the goods have been delivered, PRINCIPAL is obliged to examine, on the basis of the delivery documents and an external inspection of the packaged goods, whether the goods received correspond to the quantity and type ordered and whether there are any external recognizable transportation damages. Furthermore, PRINCIPAL is obliged to take representative samples of the overall goods and to examine the samples taken for defects. The level of examination applied to the samples taken will be dependent on the extent to which an examination of the respective individual case is practicable in the orderly course of business.

2. PRINCIPAL is obliged to give notice of any defects which could be discovered by means of the aforementioned examination within 14 days of the goods being delivered.

3. PRINCIPAL is obliged to give notice of any defects discovered at a later date within 10 days of identifying them.

4. Sections 10.1 to 10.3 shall not apply if and to the extent an acceptance of the Delivery is required by law or has been agreed.

5. PRINCIPAL shall have no further obligations to examine and give notice of defects.

6. Late defect notification shall not affect any warranty rights based on fault.

11. Rights to the Delivery

1. The Contractor grants PRINCIPAL the non-exclusive, irrevocable, transferable, worldwide and perpetual right, to use the Delivery. In particular, PRINCIPAL is entitled to integrate the Delivery or parts thereof into other products, to distribute the Delivery or parts thereof worldwide, either integrated or non-integrated, and – insofar as this is necessary in order to achieve the purpose of the contract, to adapt or otherwise alter the Delivery or parts thereof and to distribute the results of such activities as aforementioned. PRINCIPAL is also entitled to sublicense this right of use.

2. If and to the extent that the Delivery or parts thereof is developed for PRINCIPAL, the Contractor grants PRINCIPAL the exclusive, irrevocable, transferable, worldwide, and perpetual right, unrestricted in terms of content, to use the Delivery or parts thereof in all known and unknown ways. In particular, PRINCIPAL is entitled at its discretion to reproduce the Delivery or parts thereof, to distribute (also by renting) and to communicate to the public (in particular by making available to the public) the Delivery or parts thereof, with reproducents thereof. This also includes the right to adapt or otherwise alter the Delivery or parts thereof by any means and to use the results thereof as aforementioned. PRINCIPAL is entitled to sublicense this right of use.

3. If and to the extent that the results of the development can be protected by industrial property rights, the Contractor hereby already irrevocably gives its prior consent to PRINCIPAL to file an application for industrial property rights in the country of PRINCIPAL’s domicile and abroad and herewith already assigns
all rights to, and resulting from, this invention to PRINCIPAL, especially its right
to file applications for, or to be granted, patents or utility models in the country
of PRINCIPAL domicile and abroad. The Contractor shall provide PRINCIPAL,
at its own expense and within a reasonable period, with all information,
documents and declarations necessary for the registration, conduct of in
and out of court disputes and maintenance of such industrial property rights by
PRINCIPAL. The Contractor shall, at its own expense, arrange for all of the
necessary steps to be taken vis-à-vis its employees and others involved in
the invention to make this assignment of rights possible; in particular, it shall validly
claim inventions of its employees in accordance with the provisions of the applicable
employee’s invention law.

11.5 The consideration for the aforementioned granting and/or assignment of rights
is included in the agreed remuneration.

12. Condition of the Delivery / Defects in Material and Defects of Title

12.1 The Delivery shall be in accordance with the agreed specifications. The
Delivery shall comply with the state of the art, the applicable statutory
provisions, and the relevant regulations and directives of authorities, trade
associations and professional associations.

12.2 Unless the statutory provisions do not provide for any longer limitation periods,
the limitation period for defects in material shall be 24 months and the limitation
period for defects of title shall be 36 months. If the delivery has been used for a
building in accordance with the normal way it is used and has resulted in the
defectiveness of the building the limitation period for defects in material shall
be 5 years.

12.3 If acceptance is required by law or has been agreed, the limitation period shall
commence at the date of acceptance; otherwise at the time of taking the
respective Delivery at the place of performance.

12.4 The place of performance for subsequent performance is, at PRINCIPAL ’
option, either the place where the Delivery is located at the time the defect is
discovered or the place the Delivery was delivered to by PRINCIPAL.

12.5 If the Contractor fails to fulfill its subsequent performance obligations within a
reasonable period to be set by PRINCIPAL, PRINCIPAL shall be entitled, in
addition to any other rights and claims PRINCIPAL may have, to remedy the
defect itself or have it remedied by third parties and to claim compensation from the Contractor for the expenses incurred in this respect or
demand a reasonable advance payment. No period for subsequent performance has to be observed if in advance the Contractor was in delay in
delivery or if the statutory provisions do not require to set a period for subsequent performance.

12.6 In other respects, the statutory provisions shall apply to defects in material
and/or defects of title.

13. Liability

In other respects, Liability shall be governed by the statutory provisions.

14. Environmental Protection

14.1 Wherever commercially and technically feasible, the Contractor shall make
sure that environmentally compatible products and processes are used for the
production or provision of the Delivery, its packaging as well as for supplies
and additional services rendered by third parties.

14.2 The Contractor shall fulfill its information obligations under the environment
protection laws and the concerns of health and safety. This shall apply, in
particular, to the information obligations under REACH Article 33 – Duty to
communicate information on substances in articles.

15. Nondisclosure / Provision of Materials

15.1 The content of this order and all information received from PRINCIPAL, or from
third parties on behalf of PRINCIPAL, in connection with the performance of
the contract shall be treated as confidential by the Contractor. PRINCIPAL
does not grant the Contractor any rights whatsoever to this information, other
than the right to use it for the performance of the contract. Disclosure to third
parties is only permitted with the prior written consent of PRINCIPAL and,
in the event that such consent is granted, the Contractor shall subject these third
companies to confidentiality obligations no less stringent than the provisions set out
herein prior to disclosure. The aforementioned confidentiality obligations shall
end five (5) years after the start of the limitation period for claims based on
defects, but shall not apply to information that is generally known or becomes
generally known without any breach of this contract, was already known to the
Contractor before it is passed on without being subject to confidentiality
obligations towards such third party, or is lawfully obtained by a third party later
without being subject to confidentiality obligations towards such third party,
or to information developed by the Contractor independently or which it is
under a legal obligation to disclose, or has been ordered to disclose by a
competent court or competent authority.

15.2 The Contractor may only disclose its business relations with PRINCIPAL after
having obtained the prior written consent of PRINCIPAL to do so.

15.3 Objects and documents of any kind provided by PRINCIPAL or third parties on
behalf of PRINCIPAL, as well as any objects or documents created on the
basis of such objects and documents, shall not be passed on to third parties
without the prior written consent of PRINCIPAL and PRINCIPAL does not grant
the Contractor any rights whatsoever to such objects and documents, other
than the right to use them for the performance of the contract. The objects
provided shall be reasonably insured by the Contractor, at its own expense, to
cover the object and damage, shall be stored separately, maintained if necessary
and shall be marked as the property of PRINCIPAL. The objects and
documents provided shall be reasonably protected to prevent unauthorized