

Little Things Factory GmbH Terms and Conditions of Sale

Unless otherwise agreed in writing all goods are supplied exclusively according to the following terms and conditions of delivery and sales.

§ 1 Area of application

(1) These terms of sale are exclusively valid in relation to enterprises, legal entities of the public right or public special estates in the sense of § 310 paragraph 1 BGB. Terms and conditions of the buyer that are contrary to or not in accordance with ours require our written consent.

(2) These terms and conditions of sale shall also apply to any further businesses with the buyer, as far as they are legal transactions of similar nature.

§ 2 Offer and conclusion of contracts

(1) If an order is to be regarded as offer according to § 145 BGB (binding to the request) we can accept it within a period of two weeks.

(2) Your orders shall have no binding contractual force and effect unless we have sent our written order acknowledgement.

(3) Once your order has been accepted it can not be withdrawn by the buyer unless we have sent our written consent.

§ 3 Prices and payments

(1) Unless otherwise agreed by us in writing all prices are quoted Ex Works, packaging excluded, plus current VAT. Packaging costs will be charged separately.

(2) Payments shall be made exclusively to the account stated on our invoice. Any deduction of trade discounts is permissible after written consent only.

(3) Unless otherwise agreed by us the price of the goods is due and payable within 30 days from the date of delivery. The price can be considered as being paid only when it is at our unrestricted disposal. Receipts for payment will be issued only upon request. We reserve the right to charge interest at the rate of 8 per cent per annum above the base rate, provided and published by 'Deutsche Bundesbank', on the outstanding indebtedness. Any further claim for damages caused by delay remains reserved.

(4) Unless a fixed price arrangement has been made, for deliveries taking place 3 months or later after order confirmation, we reserve the right to make appropriate adjustments to our prices due to changes in personnel-, material- and sales costs.

(5) In the case of the individual production of goods ordered, the delivery of up to 10% more or less than the ordered quantity shall be deemed to be in compliance with the quantity ordered. The parties hereby agree in this case to adjust the contract accordingly on the basis of the prices agreed in the contract. Further claims to supplementary performance and guarantees resulting from this quantity deviation are hereby excluded.

§ 4 Delivery period

(1) Delivery dates agreed to in the contract are not binding dates unless the parties have expressly agreed in writing that this is to be the case. With regard to the delivery, a delay shall only be deemed to have occurred if, following the expiry of the announced delivery date, an appropriate additional extension of time which has been given in writing has also passed without delivery taking place.

(2) The delivery period as indicated by us shall commence when the buyer has fulfilled all of his contractual duties in a timely and orderly manner. The defence of non-performance remains reserved.

(3) If the buyer defaults in accepting or culpably fails to fulfil other obligations of cooperation we shall be entitled to claim for compensation for damage including possible additional expenses. The right to claim additional indemnities remains reserved. If aforesaid conditions are given, the risk of an accidental loss or an accidental degradation of the goods devolves to the buyer at the time, the buyer has come into default of acceptance or debtor's default.

(4) Legal claims and rights of the buyer based on a delay in delivery remain unaffected. We shall be held liable only in the case of proven culpability. The compensation shall be limited to the damage which is to be expected in the normal course of things, and shall be limited to the amount of the contract price.

§ 5 Compensation and right of retention

The Buyer shall only be entitled to claim set-off if his counter-claims have been found to be lawful or indisputable. Only if his counterclaim is based on the same contractual relationship the buyer is authorized to execute the right of retention.

§ 6 Transfer of risk on shipment

If the goods are sent to the buyer on his request, the risk of the accidental loss or the accidental degradation of the goods passes to the buyer on shipment or when the goods leave the plant / warehouse at the latest. This applies regardless of whether the shipment of the goods is made from the place of fulfillment or who has to bear the freight charges.

§ 7 Retention of title

(1) Shipment shall remain our property until the purchase price according to the supply contract has been paid in full. This is valid also for all future supplies, even if this is not expressly referred to. We are entitled to take the purchase item back if the buyer behaves contrary to the terms of the contract.

(2) The buyer is obliged to treating the object of purchase with care as long as the property has not passed over to him. In particular he is obliged to insure the goods at his own expenses against burglary, fire damages and water damages to the amount of the replacement value. Possible maintenance and inspection work shall be carried out at the buyer's expenses in a timely manner. As long as the property has not passed to him, the buyer has to inform us immediately in writing if the supplied item has been seized or otherwise exposed to interventions of third parties. As far as such third party is not able to refund the

judicial and extrajudicial expenses of a case according to § 771 civil process order, the buyer is liable for a financial loss resulting on our side.

(3) The buyer is entitled to the sale of the goods under retention in the normal course of business. The buyer by now cedes his receivables from the sale of the goods under retention to us to the amount of the total invoice value agreed with us (including value added tax). This assignment is valid regardless as to whether the object of purchase has been resold without or after processing. The buyer remains authorised for the collection of the receivables also after the assignment. Our right to confiscate the receivables ourselves remains unaffected. However, we will not collect the receivables as long as the buyer fulfils his liabilities from collected revenues, is not in delay of payment and in particular no application for opening of insolvency proceedings has been placed or cessation of payment is given.

(4) Reprocessing or reshaping of goods shall always be regarded as performed on our behalf. In this case the buyer's remainder in the object of purchase extends to the reprocessed or reshaped object. In case the object of purchase is processed together with other items that are not in our ownership, we shall be entitled co-ownership in the new property inasmuch as the value of goods sold in retention of title relates to the new property at the moment of reprocessing. The same is valid for the case of mixture. Should the objects be accepted in the case of mixture as being the main component, the buyer is to transfer joint ownership as a percentage to us and shall keep the resulting sole or joint ownership for us.

(5) We commit ourselves to release securities to which we are entitled upon the requests of the buyer as far as their value exceeds the demands to be secured at more than 20%.

§ 8 Warrantee and notice of defect and manufacturer recourse

(1) Warranty rights of the buyer require that fulfilled his obligation to inspect and object in accordance with § 377 HGB (German Commercial Code)

(2) Claims for defects shall become statute-barred 12 months after delivery of our goods to the buyer. Any return of goods requires our prior approval.

(3) If, despite all appropriate attention and care, the goods delivered show a defect that already existed at the time of the transfer of risk, we will, subject to timely notice of defect, at our choice retouch the goods or deliver substitute goods. The opportunity to supplementary performance within an appropriate period is to be granted to us in any case. Recourse claims remain unaffected by this regulation without restriction.

(4) If supplementary performance fails the buyer can - without prejudice to any claims for damages - withdraw from the contract or reduce the remuneration.

(5) Insignificant defects, minor impairment of usefulness, natural wear or tear, such as damages arising after the transfer of risk from faulty or negligent handling, excessive strain, unsuitable equipment or special external influences that are not assumed according to the contract, shall void any claims of warranty. In the event of improper repairs or alterations made by the buyer or a third party, no claims for defects or the consequences resulting therefrom exist.

(6) None of the buyer's claims in connection with expenditures necessary for supplementary performance, in particular transportation, travel, labor and material costs, will be accepted where such expenditures increase because of the supplied goods has been transferred to a location other than the premises of the buyer, unless this is consistent with the authorized use.

(7) Recourse claims of the buyer against us exist only insofar as the buyer and his customer did not close agreements going beyond the legally binding claims for defects. The scope of recourse claims of the buyer against the supplier is also in accordance with clause (6) of this paragraph.

§ 9 Provided documents

We reserve ourselves property rights and copyrights on all documents provided to the buyer in connection with the placing of an order, like e.g. calculations, drawings etc.. These documents may not be made accessible to third parties, unless we have expressly given our permission to the buyer in writing. As far as we do not accept the offer of the buyer within the period as mentioned in § 2, these documents must be sent back to us immediately.

§ 10 Other

(1) This contract and all legal relations between the parties shall be governed by the law of the Federal Republic of Germany under exclusion of the UN Convention on Contracts for the International Sale of Goods (CISG).

(2) Place of fulfillment and exclusive place of jurisdiction for all disputes resulting from this contract is our registered place of business, unless otherwise stated in our order confirmation.

(3) All agreements made between the parties in order to execute this contract are documented in this contract in written form.

(4) If any provision of these conditions is held to be unlawful, invalid or unenforceable in whole or in part, the validity of the other provisions of these conditions and the remainder of the provision in question shall not be affected.

In such case, the parties undertake to replace the ineffective regulation by such legally permissible regulation that is closest to the economic purpose of the ineffective regulation or fills this gap respectively.