

## International Purchasing Conditions for Suppliers not Resident in Germany

### I. Application of the International Purchasing Conditions

1. These International Purchasing Conditions apply to all suppliers to C. Hahne Mühlenwerke GmbH & Co. KG - hereinafter referred to as Hahne - whose relevant place of business is **not in Germany**. For suppliers whose place of business is in Germany, the General Purchasing Conditions (Allgemeine Einkaufsbedingungen) of Hahne apply, which will be forwarded on request. In each case, the relevant place of business is the one which concludes the contract in its own name.
2. These International Purchasing Conditions apply to contracts which are concluded as of July 1st, 2009 and whose preponderant object is the **delivery of goods** to Hahne. Additional obligations assumed by the supplier do not affect the application of these International Purchasing Conditions.
3. Conflicting or differing **terms of business of the supplier** do not bind Hahne, even if Hahne does not explicitly object to them or even if, irrespective of the supplier's conflicting or differing terms of business, Hahne unconditionally renders performance or accepts the supplier's performance. The provisions of this paragraph equally apply insofar as the terms of business of the supplier, irrespective of the contents of these International Purchasing Conditions, deviate from statutory provisions.

### II. Formation of the Contract

1. The supplier is under an obligation to give **written notice to Hahne** prior to the formation of the contract if the goods to be delivered are not fit without restrictions for the purpose made known to the supplier or for the purpose provided in the contract or if assertions made by third parties or itself in adverts, prospectuses or other public announcements whether in or outside Germany, of which the supplier is or ought to have been aware cannot in each and every respect be complied with, or if a risk to health, safety or the environment or a risk of atypical damages or unusual amounts of loss is associated with the goods to be delivered.
2. **Offers of the supplier** have to set out in writing. If the supplier's offer deviates from the inquiry or order submitted by Hahne, the supplier will emphasize the **differences** as such. Pictures and drawings accompanying the supplier's offer as well as details of amounts, size and weight in the supplier's offer are conclusive and binding.
3. All orders, in particular also those placed by employees of Hahne, will **take effect exclusively if followed by a written acknowledgement** of the order by Hahne. The actual taking delivery of the goods, the payment for such goods or any other conduct of Hahne or silence on the part of Hahne does not allow the supplier to assume the formation of the contract. Hahne can dispatch such written acknowledgement of the order up to and including **14 calendar days after** the supplier's offer has been received by Hahne. Until this time, the supplier's order is irrevocable.
4. The written **acknowledgement of the order** by Hahne shall be **received in time** if it is received by the supplier within 14 calendar days after its date of issue. The supplier will inform Hahne without delay, if the written acknowledgement of the order is received with a delay.

5. The written acknowledgement of the order by Hahne sets out all the **terms of the contract** and brings the contract into effect even if - except for the purchase price and the quantity to be delivered - the written acknowledgement deviates from the declarations of the supplier in any other way, especially with reference to the exclusive application of these International Purchasing Conditions. The contract will only fail to come into existence if the **supplier objects in writing** that the acknowledgement of the order by Hahne is not completely consistent with the declarations of the supplier, the supplier specifies the deviations in writing and if the objection is received by Hahne within a short time, at the latest seven calendar days, after receipt of the written acknowledgement of the order by the supplier.
6. Any restriction on Hahne's legal rights or on the rights granted by these International Purchasing Conditions, namely any limitation to or any exclusion of statutory remedies, guarantees, warranties or assurances by the supplier in relation to the goods or the execution of the contract, require **express written confirmation** by Hahne in every case.
7. Order confirmations produced by the supplier are of **no effect** without any objection by Hahne being necessary. In particular, neither the actual taking delivery of the goods, the payment for such goods or any other conduct of Hahne or silence on the part of Hahne shall give rise to any belief by the supplier in the relevance of its order confirmation.
8. Hahne's **employees**, commercial agents or other sales intermediaries are not authorized to dispense with the requirement of a written acknowledgement of the order by Hahne or to make promises which differ from its content. If and to what extent such persons are authorized to make or receive declarations with effect for or against Hahne, is to be determined according to German law.
9. Against reimbursement of the supplier's proven and reasonable expenses caused thereby, Hahne after formation of the contract is entitled to **change** the order for the goods to be delivered or to **cancel** part of the contract already made. In the case of a partial cancellation the supplier is also to be reimbursed for that part of its profit proven and lost by the cancellation.
10. **Amendments** to the concluded contract always require written confirmation by Hahne.

### **III. Obligations of the Supplier**

1. The supplier shall fulfil all the duties imposed by the contract, by these International Purchasing Conditions and by statutory provisions in due time, and in particular shall **deliver the goods** referred to in the written acknowledgement of the order by Hahne. Guarantees, warranties and assurances given by the supplier are to be honoured, without these having to be confirmed in writing. Without explicit written consent by Hahne in every case the supplier is not allowed to entrust sub-suppliers the performance of its obligations owed to Hahne if such entrustment can result in legal consequences regarding the contractual relationship with Hahne.
2. The supplier is obliged to **examine** the goods prior and as close in time as possible to their handing-over to Hahne to the same extent as Hahne is obliged to examine after taking delivery and to record the result of the examination in writing. In any event and irrespective of any obligation of examination on taking delivery incumbent upon Hahne, the supplier is obliged to examine the goods in respect of the supplier's compliance with the quantity owed, the type and packaging of the supplied goods and their freedom from relatively easily detectable defects in quality. Including where INCOTERMS or clauses such as "ex works...." or similar are agreed, the

supplier is furthermore obliged to **inform** Hahne in writing with a reasonable lead time of the forthcoming delivery.

3. The **transport** of the goods is the sole responsibility of the supplier. In particular the supplier is responsible vis-à-vis Hahne for the goods being packed suitably for transportation, being loaded in a safe manner and being transported by means of transportation that are in every respect suitable for their transport, conform with food law regulations and are in an impeccably clean condition. The agreement of **INCOTERMS** in Group E, Group F, Group C or Group D or of clauses such as "ex works....." or similar ones merely involve a variation of the provisions as to the transportation and the transportation costs; besides that, the provisions laid down in these International Purchasing Conditions remain applicable.
4. The supplier shall deliver the goods **cleared for unrestricted use** within the European Union, shall comply with customs and import regulations and with weight and measuring systems in force from time to time in Germany and is responsible vis-à-vis Hahne for fulfilling the duties associated with the putting of the goods **into circulation** in Germany. The agreement of **INCOTERMS** in Group E, Group F, Group C or Group D or of clauses such as "ex works....." or similar ones merely involve a variation of the provisions as to the transportation and the transportation costs; besides that, the provisions laid down in these International Purchasing Conditions remain applicable.
5. Subject to promises providing for more, the supplier is under a duty to hand over to Hahne goods of the agreed type and quantity, which are of the **quality** and in the **packaging** and which comply with the **labelling** and marking requirements, which are to satisfy in every respect the requirements of product law in force in Germany at the specific time and the generally formulated recommendations for the goods. In particular, the supplier shall ensure that the goods are not subject to deviations which could adversely affect their normal value in use or their economic value in Germany or the purpose made known to the supplier, and contain no foreign object and nothing which could damage health or which is prohibited. Moreover, the supplier undertakes to deliver goods of above-average kind and quality taking account of the **tolerances customary in the trade**. The supplier is not entitled to make **part deliveries** or to invoice them separately.
6. Up to delivery, the supplier guarantees that the goods are free from **rights or claims of third parties**, in particular those based on title, industrial property or any other intellectual property, which could hinder the unrestricted usability of the goods by Hahne in the European Union.
7. The supplier is under a duty to obtain and to hand over to Hahne free of charge a public health certificate approved by German authorities and moreover any licences, authorizations, certificates of origin, of movement and of preference, other certificates and other **documents** necessary for the free export, transit or import of the goods as well as for receiving tax relief in the European Union. The supplier guarantees that they are authentic documents with legal validity. Furthermore, suppliers with a place of business within the European Union are under a duty to present a supplier's declaration. The agreement of **INCOTERMS** in Group E, Group F, Group C or Group D or of clauses such as "ex works....." or similar ones merely involve a variation of the provisions as to the transportation and the transportation costs; besides that, the provisions laid down in these International Purchasing Conditions remain applicable.
8. Every delivery must be accompanied by a **delivery note** which clearly states the order number of the acknowledgement of the order by Hahne and for each type of goods the applicable customs tariff number. **Invoices**, delivery notes and transportation documents must correspond to the details in the acknowledgement of the order by Hahne, must comply with all legal requirements and are to be forwarded to Hahne separately by post and additionally by electronic means. **Invoices** must

clearly state the order number and the date of the acknowledgement of the order by Hahne as well as the supplier's tax number and VAT identification number. Partial deliveries agreed upon or final instalment deliveries are to be identified as such in the delivery note and in the invoice.

9. The supplier shall timeously fulfill all of its obligations, in particular hand over to Hahne the goods as well as documents, delivery note and invoice **DDP (INCOTERMS 2000)** at the delivery address indicated in the written acknowledgement of the order of Hahne, or in default at the premises in Löhne/Germany. The agreement of other INCOTERMS or of clauses such as "ex works....." or similar ones merely involve a variation of the provisions as to the transportation and the transportation costs; besides that, the provisions laid down in these International Purchasing Conditions remain applicable. Only employees of Hahne named on the notice at the entrance of the depot are entitled to receive the goods.
10. Strict **compliance with agreed dates or periods** shall be a fundamental obligation of the supplier. Without prejudice to any claim, which Hahne may have against the supplier for late delivery, any delay must be communicated to Hahne in writing immediately after discovery thereof and giving the new delivery date. The supplier is entitled to perform its obligations outside the agreed dates or periods only insofar as Hahne has in each individual case agreed thereto in writing.
11. Agreed **penalties** (contractual penalties and/or liquidated damages) shall be paid in addition to the agreed services and may be claimed by Hahne regardless of whether it accepts the delivery without reservation.
12. Statutory rights of the supplier to **exercise a lien** or to **suspend performance** and to **raise defences** or counterclaims are excluded, except where the corresponding claim of the supplier is due and undisputed or has been finally adjudicated upon or where despite written warning Hahne has committed a fundamental breach of its obligations due and arising out of the same contractual relationship and has not offered any adequate assurance.
13. The supplier is obliged to use exclusively environmentally friendly packaging material approved by food law regulations and to collect packaging material and delivered goods, as far as these are subject to particular **legal provisions regarding waste-disposal** and for which disposal is prescribed and not ensured otherwise, at its own cost from the place of delivery indicated in the written acknowledgement of the order, in default at the premises in Löhne/Germany or to take it back from third parties. Irrespective of any statutory provisions, the supplier shall at its own cost take care of or in any other way ensure renewed utilization, material recycling or otherwise prescribed waste-disposal of the goods delivered and of the packaging material.

#### **IV. Obligations of Hahne**

1. Hahne is obliged to **pay the agreed purchase price**. Hahne may pay subject to the right subsequently to check the invoice by a transfer to a bank with which the supplier maintains business or by cheques. There are no further obligations on the part of Hahne to secure or to enable payment.
2. The claim to the payment of the price **comes into being** after the goods and/or the documents have been handed over to Hahne at the place of delivery indicated in the written acknowledgement of the order or in default at the premises in Löhne/Germany. Without prejudice to the compliance with the respective applicable legal requirements, the payment is **due** within 30 days with an application of a discount of 3% or within 60 days net. Under no circumstances is the payment due before Hahne has received an invoice in due form.

3. The **price covers** all of the supplier's services including any accessory expenses, in particular for packaging, shipment, insurance and import etc. Any increase in the price agreed at formation of the contract - irrespective of the legal ground - is excluded.
4. Third parties not involved in the making of the contract are not entitled to request payment. The supplier's **entitlement to receive payment** continues to exist even if it assigns claims to third parties. Should there be more than one party entitled to receive payment; Hahne is entitled in its discretion to make the entire payment to any one of them in satisfaction of claims from and against all of them.
5. Statutory rights of Hahne to reduce the price or to exercise a **set-off** against the price or to **suspend** the performance of its obligations and/or to **raise defences** or **counterclaims** are not restricted by the provisions laid down in these International Purchasing Conditions and Hahne shall be entitled to these rights irrespective of any further statutory remedies even if cash-payment terms are agreed. Without any notice to the supplier being necessary, Hahne is entitled to **suspend** the performance owed by Hahne, so long as in Hahne's view there is a concern that the supplier will not wholly or partly perform in accordance with the contract its duties under the particular contract or another contract made with Hahne which has not been completely fulfilled. Hahne is also entitled to exercise a set-off against the price or to suspend the performance of its obligations or to raise defences or counterclaims when the claim set up against the supplier is contested by the supplier, has been acquired by Hahne by assignment or Hahne is entitled to request payment for any other reason or when the claim set up against the supplier exists but has not yet fallen due or is in another currency or is subject to the exclusive jurisdiction of a court or an arbitral tribunal different to that provided for the claim of the supplier.
6. Hahne shall **not be obliged to perform** other than as set out in the written acknowledgement of the order by Hahne or in these International Purchasing Conditions.
7. The **taking delivery** of the goods by Hahne is subject to the condition that the goods are in every respect in conformity with the terms of the contract, these International Purchasing Conditions and the applicable statutory provisions and free from rights or claims of third parties.

#### **V. Non-conforming Goods**

1. Further to statutory non-conformities, goods **do not conform with the contract** if they do not conform with the requirements set out in sections III.-1. and III.-4 to III.-6. or with assertions in adverts or with declarations made by the supplier to Hahne or with other legal provisions applicable within the European Union, if claims in favor of a third party based on product liability law occur because due to the goods or if rights or claims of third parties, in particular those based on title, industrial property or any other intellectual property are claimed, unless a different term is set out in Hahne's written acknowledgement of the order or unless the supplier proves that Hahne was well aware of the non-conformity at the time of formation of the contract. The approval of models or samples by Hahne does not release the supplier from its liability for the quality of the goods.
2. Likewise, the confirmation to Hahne by the supplier as to the quality or suitability requested of the goods constitutes an unconditional and unrestricted **guarantee**, unless the supplier has declared in writing vis-à-vis Hahne that it cannot give such a guarantee. The same applies to all references made by the supplier to generally accepted standards or quality marks or to similar declarations indicating that the goods have certain qualities and/or are suitable for a particular purpose. In the case of subsequent transactions concerning the same type of goods the confirmations,

references or other declarations continue to apply, without their needing to be mentioned again.

3. With the exception of very obvious non-conformities, the **duty to examine** the goods only arises when the goods are processed or used by Hahne, however at the latest one half year after their handing-over to Hahne. The duty to examine exists only in respect of typical deviations of a factual kind in type, quantity, quality and packaging of the goods delivered; there exists no duty to examine the goods for defects in title or in respect of compliance with legal provisions. The examination shall be limited to spot checks undertaken by Hahne. In the case of delivery in instalments or of part deliveries, the examination of individual deliveries shall suffice. In any case the application of Hahne's usual methods of examination shall be sufficient. The consulting of experts, damage assessors, inspection offices or other external third parties is not required. If the supplier delivers late, the duty to examine is not applicable insofar as an adequate time for examination is no longer available in consequence of the late delivery.
4. Hahne shall **give notice** of very obvious non-conformities within 5 working days after the handing-over of the goods to Hahne and of other non-conformities, in particular those discovered pursuant to the examination, within 10 working days after the non-conformities and the supplier's responsibility therefore are certain. At no time shall the notice be given later than the termination of the limitation period. There is no obligation of Hahne to give notice, if the supplier knew or could not have been unaware of the lack of conformity. Moreover, notice shall be given to the supplier or to its sales intermediary. The notice shall describe the non-conformity in general terms; greater details as to the type of non-conformity or the extent of the goods affected are not required. The supplier is obliged, when required, to ask Hahne in writing for further details of the type of non-conformity or the number of affected goods. Rights or claims of third parties can be given notice of at any time without complying with any time limit.
5. Without prejudice to its continuing contractual or statutory rights, Hahne is according to these International Purchasing Conditions entitled to rely on the remedies provided in section V.-6. if under the terms of these International Purchasing Conditions the goods do not conform with the contract **at the time** the notice period stipulated in section V.-4. commences, unless the supplier sets forth that the non-conformity with the contract was caused after risk has passed and is attributable to Hahne's area of responsibility.
6. Irrespective of any fortuitous damage to the goods after risk has passed, Hahne is entitled in the case of non-conforming goods according to these International Purchasing Conditions to rely without restrictions on the **remedies** provided by law and/or to advance extra-contractual claims. Delivery of substitute goods and avoidance of the contract can be claimed beyond the extent of the non-conforming goods for the whole contract, are not conditional on a fundamental breach of contract or the intact restitution of the non-conforming goods and shall be declared at the latest 4 months after the notice of the non-conformity. Quantities delivered in excess may be returned totally or partly by Hahne without a notice of non-conformity being necessary. Moreover, the stipulations in VI.-2. on the avoidance of the contract and in VII.-2. on damages apply to the delivery of non-conforming goods as well. Until the complaint has been settled completely, Hahne is in addition entitled to retain from the purchase price up to 3 times the costs of repair. Hahne is also entitled, notwithstanding any other claims, to be reimbursed for any wasted **expenses** as well as for any expenses incurred by Hahne towards its customers or other third parties insofar as the expenses are the consequence of non-conformities attributable to the supplier on the basis of these International Purchasing Conditions and as long as they were not incurred after the delivery of goods that were very obviously non-conforming.

7. The **limitation period for remedies** begins to run on handing-over the goods at the place of delivery indicated in the written acknowledgement of the order or in default at the premises in Löhne/Germany and after complete performance of all of the supplier's primary obligations. In no case shall the limitation period expire before the expiration of six months from the giving of notice of the non-conformity if the notice was given before the statutory limitation period elapsed. Whilst the supplier is investigating the existence of a non-conformity or is trying to correct the same, the running of the limitation period shall be suspended until the supplier gives Hahne a final written notification. The limitation period for remedies of Hahne against the supplier in respect of violation of third parties' rights is ten years.

## **VI. Avoidance of the Contract**

1. Without prejudice to the compliance with the respective applicable legal requirements, the **supplier** is only entitled to declare the contract avoided after it has threatened Hahne with avoidance of the contract in writing and a reasonable additional period of time given in writing for performance has expired to no avail. In any event, the supplier must give notice of avoidance of the contract to Hahne directly within reasonable time in writing.
2. Without prejudicing its other legal rights, **Hahne** is entitled to avoid the contract in whole or in part without compensation if the supplier objects to the application of these International Purchasing Conditions, if the written acknowledgement of the order by Hahne is received by the supplier more than 14 calendar days after its date of issue, if insolvency proceedings are applied for or commenced relating to the assets of the supplier, if the supplier without providing a reason justifiable in law does not meet fundamental obligations due towards Hahne or towards third parties, if Hahne due to the delivery of non-conforming goods is entitled to remedies according to these International Purchasing Conditions, if the supplier has failed to comply with other obligations and an additional period of time for performance set by Hahne has expired to no avail, or if for other reasons Hahne cannot be expected to fulfil its obligations by means, which taking into consideration its own interests and that of the supplier as far as ascertainable and legitimate at the time of formation of the contract, are unreasonable in particular in relation to the agreed counter-performance.

## **VII. Damages**

1. The supplier is entitled to claim **damages from Hahne** in case of unjustified late payment. Damages amount to a flat interest rate of 2% per annum above the base interest rate of the German Federal Bank (Deutsche Bundesbank) or above the official rate of discount of the currency in which payment is due applicable during the unjustified retention of payment. With the exception of damages due to intentional harm or gross negligence, any claim on any other ground to damages to further interest or to an indemnity against any other kind of damages is excluded.
2. Without prejudicing other claims inclusive claims of an extra-contractual nature, Hahne is entitled without any restriction and in accordance with the legal requirements to claim **damages from the supplier** instead of or in addition to any other remedy for every kind of breach of contract including death or personal injury caused by the goods. The taking of delivery of the goods or the paying of the purchase price without any reservation shall not result in a waiver of the right to damages. Without prejudice to any further reaching legal rights, the damages to be compensated shall comprise all direct and indirect expenses, losses and inconveniences caused to Hahne by the breach of contract, unless the supplier proves that neither the occurrence nor the extent of the damages was foreseeable neither at the time of formation of the contract nor during its performance. Without prejudice to the supplier proving that damage was either not caused or was caused in a signifi-

cantly smaller size, and without prejudice to Hahne claiming further damages, in each case of late delivery by the supplier Hahne is also entitled to claim liquidated damages of 0.5 % for each week of delay commenced, up to a maximum of 10 % of the value of the respective goods, without any evidence being necessary.

### **VIII. Other Provisions**

1. On delivery the goods as well as all related papers and documents become in principle the unrestricted property of Hahne. If a **reservation of title** in favour of the supplier has been agreed, this has only the effect of a simple reservation of title; in addition, Hahne is entitled, regardless of the reservation of title, to utilise the goods at any time without any restrictions, namely by processing the goods and/or selling them, as well as by transferring property in the goods to third parties even when such utilisation by Hahne has the consequence of destroying the reservation of title.
2. Without prejudice to Hahne's continuing claims, the supplier will indemnify Hahne without limit against all claims of third parties which may be brought against Hahne based on **product law** or **product liability law** or food law or similar provisions insofar as the product was delivered by the supplier or contained materials or parts delivered by the supplier and, presuming that its place of business is in Germany, the supplier itself could be held liable in place of Hahne. In particular, the indemnification also includes compensation for expenses incurred by Hahne and the costs of any precautionary campaign to redress or recall potentially defective goods and is granted by the supplier waiving further conditions or other objections, in particular without requiring compliance with any duty of examination, giving notice, supervision or recall, and waiving any defence of limitation. Irrespective of any additional claims of Hahne, the supplier shall maintain a **product liability insurance and a product recall insurance**, each with a cover figure of not less than € 5 Mio. for each event of damage or loss.
3. Without prejudice to Hahne's continuing claims, the supplier shall give Hahne unlimited security or compensation on first demand and waiving all further conditions or other defences, in particular waiving the observing of all duties of examination, notifying, control or recall or the prior taking of administrative or legal proceedings as well waiving the defence of limitation if in consequence of an **administrative order** Hahne is threatened with detriment or if Hahne is subject to administrative fines or if Hahne learns of other detriment and the administrative order is based on provisions of product law, in particular food law, the observance of which is according to the provisions of these International Purchasing Conditions within the supplier's sphere of obligation. The same applies if Hahne is obliged on the basis of applicable statutory provisions to recall goods, which have been delivered by the supplier or which contain parts delivered by the supplier if these are the cause of the **recall of the goods**.
4. In relation to pictures, drawings, calculations and other **documents** as well as computer-software, which have been made available by Hahne in a material or electronic form, Hahne reserves all proprietary rights, copyrights, other industrial property rights as well as know-how rights.
5. All communications, declarations, notices etc. are to be drawn up exclusively in **German or English**. Communications by means of fax or e-mail fulfil the requirement of being **in writing**.
6. Goods placed at the supplier's disposal must be collected at Hahne's premises within 10 calendar days. **Return of goods** will be effected at the supplier's cost and risk.



## **IX. General Basis of Contracts**

1. The **place of performance** and payment for all obligations arising from the legal relationship between Hahne and the supplier is the place of delivery indicated in the written acknowledgement of the order by Hahne or in default at the premises in Löhne/Germany. This provision also applies if the supplier renders performance for Hahne somewhere else or in the case of restitution of performances already rendered. The agreement of **INCOTERMS** in Group E, Group F, Group C or Group D or of clauses such as "ex works....." or similar ones merely involve a variation of the provisions as to the transportation and the transportation costs; besides that, the provisions laid down in these International Purchasing Conditions remain applicable.
2. The United Nations Conventions of 11 April 1980 on Contracts for the International Sale of Goods (**UN Sales Convention / CISG**) and on the Limitation Period in the International Sale of Goods, both in the English version govern the legal relationship with the supplier. The UN-Conventions apply above and beyond their own area of application, and regardless of reservations adopted by other states, to all contracts to which these International Purchasing Conditions are to be applied according to the provisions of section I. Where standard terms of business are used, the **INCOTERMS 2000** of the International Chamber of Commerce apply taking into account the provisions stipulated in these International Purchasing Conditions.
3. The **formation of contract**, including agreements as to the jurisdiction of courts or arbitral tribunals, and the contractual **rights and obligations of the parties**, also including the liability for death or personal injury caused by the goods to any person and pre-contractual and collateral obligations as well as the limitation of actions and the interpretation are exclusively governed by the UN-Conventions specified in section IX.-2. together with these International Purchasing Conditions. Outside the UN-Conventions, the relationship between the parties is governed by the non-uniform Swiss law, namely by the Swiss Obligationenrecht.
4. All contractual and extra-contractual disputes as well as disputes under insolvency law, arising out of or in connection with contracts to which these International Purchasing Conditions apply, including their validity, invalidity, violation or cancellation shall be finally resolved by **arbitration** according to the Swiss Rules of International Arbitration (SCA) without recourse to the ordinary courts of law. The tribunal shall consist of three arbitrators, one (1) of them shall be nominated by the claimant, one (1) of them by the respondent and the chairman of the tribunal shall be designated by the two arbitrators so nominated, or if the amount in dispute is inferior to € 50.000, there shall be one (1) arbitrator appointed by the SCA. The place of the arbitration shall be Zürich/Switzerland, the languages used in the arbitral proceedings shall be German and/or English. Instead of bringing an action before the arbitral tribunal, Hahne is also entitled to bring an action before the national courts of the supplier's place of business, or other national courts having jurisdiction according to domestic or foreign law.
5. If provisions of these International Purchasing Conditions should be or become partly or wholly ineffective, the remaining arrangements will continue to apply. The parties are bound to replace the ineffective provision with a legally valid provision as close as possible to the commercial meaning and purpose of the ineffective provision.