

GENERAL TERMS AND CONDITIONS OF CONTRACT OF FAIRNET GESELLSCHAFT FÜR MESSE-, AUSSTELLUNGS- UND VERANSTALTUNGSSERVICE MBH



1. General, Scope

- 1.1 The General Terms and Conditions of Contract shall apply to all business dealings of FAIRNET Gesellschaft für Messe-, Ausstellungs- und Veranstaltungsservice mbH (FAIRNET) with its contracting parties (customers). The General Terms and Conditions of Contract shall only apply if customer is an entrepreneur (Sect. 14 BGB (German Civil Code), a public law entity or special fund under public law.
- 1.2 The General Terms and Conditions of Contract shall apply in particular to the temporary letting of fair stands and the associated facilities (subject matter of contract) regardless of whether the fair stands are of modular construction or have been made to specification. Their relevant applicable version shall also apply as framework agreement to all future contracts for the letting of fair stands and the associated facilities closed with the same customer without FAIRNET being required to repeatedly make reference to it in each individual case. Any change of the General Terms and Conditions of Contract will be notified by FAIRNET without delay.
- 1.3 The General Terms and Conditions of Contract of FAIRNET apply exclusively. Deviating, conflicting or supplementary general terms and conditions of the customer shall only become integral part of the contract if and when FAIRNET has expressly agreed to the validity of the same. The requirement of consent shall apply in any event, for example even if FAIRNET being aware of customer's general terms and conditions rendered its services for the customer.
- 1.4 Agreements with customer entered into in a given case (including side agreements, amendments and supplements) shall always have priority over these General Terms and Conditions of Contract.
- 1.5 Representations and notices of legal relevance made by customer towards FAIRNET after contract formation (e.g. setting a deadline to remedy defects, declaration of withdrawal or reduction) shall be made in textual form in order to be valid.

2. Proposal, Formation of Contract

- 2.1 All proposals by FAIRNET shall be subject to change and non-binding unless they are expressly designated as binding or include a certain term of acceptance.
- 2.2 When a specific fair stand for a certain event is ordered by customer, it shall be considered a binding contractual offer. Unless stated otherwise in the order FAIRNET shall be entitled to accept this contractual offer within a period of two weeks after receipt of the same.
- 2.3 FAIRNET may state the acceptance either in textual form (e.g. by order confirmation) or by implication (e.g. by handover or invoicing).
- 2.4 Information by FAIRNET on the subject matter of its performance (e.g. weights, sizes, values in use, load-bearing capacities and technical data) and the depiction of the same (e.g. drawings, figures) shall be considered approximate only unless the usability for the contractual purpose requires strict conformity. They shall not constitute guarantee features but descriptions and designations of the subject matter of performance. Usual deviations and deviations necessary due to legal regulations or representation of technical improvements and the replacement of components by equivalent parts shall be permitted to the extent its use for the contractual purpose is not impaired.
- 2.5 FAIRNET reserves ownership or copyright in its offers, cost estimates and the drawings, figures, leaflets, catalogues, models and other documents and aids made available to customer. The provisions as to the copyright and other intellectual property rights as per No. 11 shall remain unaffected.

3. Price, Terms of Payment

- 3.1 Unless expressly specified, the prices indicated in the offer or price lists are net prices (plus applicable rate of value added tax).
- 3.2 Unless agreed otherwise, the prices shall be the remuneration for the letting of the subject matter of contract during the event including the costs of delivery and removal as well as setup and dismantling if necessary.
- 3.3 Invoices shall be paid within a period of eight (8) days from the date of invoicing but in any case prior to the handover of the fair stand without deduction unless agreed otherwise in writing. The timeliness of payment is determined by the date it has been credited to FAIRNET's account. Cheques shall be considered payment after encashment only.
- 3.4 Upon expiry of payment deadline (No. 3.3) customer defaults. Default interest of the applicable legal rate shall be paid on the invoice amount for the period of delay. FAIRNET reserves the right to assert further claims for damages caused by delay.
- 3.5 Customer shall have a right of set-off or retention insofar only that its claim has been determined without further legal recourse or is uncontested.

- 3.6 FAIRNET shall be entitled to render any outstanding performance against advance payment or by way of security only if circumstances become known to it after conclusion of the contract that are suitable to reduce the customer's financial standing and by which the settlement of outstanding debts by customer in relation to the relevant contract (including other individual orders falling under the same framework agreement) is jeopardized.

- 3.7 As regards changes of modular stands a flat rate of EUR 30.00 per change plus value added tax will be charged after the third change. After construction has started changes of the stand layout of modular systems and customized stands will only be made under the reserve of feasibility and upon additional charge (hourly rate EUR 50.00 plus material plus value added tax).

4. Delivery Time

FAIRNET's adherence to the obligations to deliver and perform requires a timely and proper fulfilment on the part of customer. It shall include a timely receipt of all documents to be supplied by customer, clarification and approval of plans, no hindrance at site, observance of the terms of payment agreed and other duties. If said prerequisites are not met in good time or in full, the delivery time shall be extended in a reasonable manner.

5. Cancellation of Contract

- 5.1 Customers cancelling their orders up to four weeks prior to start of construction with-out having the right of withdrawal shall pay a reimbursement of expenses amounting to 25% of the contract value plus value added tax. If cancelled two weeks prior to start of construction, the reimbursement amount shall be 75% and then 100%. The cancellation must be in writing to keep the time limit.
- 5.2 FAIRNET allows credit for the saved expenses and those advantages, however, that FAIRNET obtained by alternative use. Customer may request a reduction of the reimbursement if it can be proven that FAIRNET had less expense.
- 5.3 FAIRNET shall be entitled to withdraw from the contract if contractual payments due are not made by customer, FAIRNET set a final deadline for payment of five days and no payment is made within this grace period. FAIRNET shall also be entitled to withdraw from contract if customer breaches a contractual duty to pay regard to rights, objects of legal protection and interests of FAIRNET, and FAIRNET can no longer be reasonably expected to continue the contract.

6. Safety Precautions/Duties of Customer

- 6.1 Booths and lockable pieces of furniture are not burglar-proof. The locking mechanisms serve solely as privacy shield. The ordering stand security is therefore recommended. The customer is also recommended having both the subject matter of contract and the exhibits or similar as per No. 9 adequately insured. FAIRNET assumes no liability for objects left in the stand.
- 6.2 When materials or documents for the construction of the subject matter are handed over by customer, the latter shall safeguard third party rights not being violated by the work carried out and delivery made on the basis of customer's documents. We shall be under no obligation to check whether the information and documents handed over by customer violate third-party property rights. Customer undertakes to indemnify FAIRNET from all and any claims for damages or other third-party claims upon initial request and shall make good for all damage arising from such violation of intellectual property rights.

7. Handover

- 7.1 FAIRNET shall hand over the subject matter of contract on the date agreed or in such a manner that it is available at the start of the event.
- 7.2 The time of handover (No. 7.1) shall be no promise of guarantee by FAIRNET. FAIRNET shall not be liable for the impossibility or delay of handover caused by force majeure or any other event not foreseeable upon contract formation and not to be attributed to FAIRNET.
- 7.3 Customer shall check the condition and completeness of the subject matter upon hand-over. Any deviation as to quantity and quality shall be notified forthwith by customer. Sect. 377 HGB (Commercial Code) shall apply in this respect.
- 7.4 The handover cannot be rejected by customer for minor defects.
- 7.5 The risk of accidental loss or damage shall be transferred from FAIRNET to customer as soon as the subject matter of contract has been handed over. The bearing of risk by customer shall end upon return to FAIRNET.

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8. Duties of Customer

- 8.1 Customer shall treat the subject matter of contract with care. Affixing posters, nailing, painting or similar shall not be allowed. Any conversion or change of the subject matter of contract requires express approval by FAIRNET.
- 8.2 FAIRNET shall be notified forthwith by customer of any loss of or damage to the subject matter of contract or parts thereof.
- 8.3 The contractual relationship shall end at the end of the relevant event (fair), and dismantling shall start immediately upon its end unless agreed otherwise. Any object left at the stand will be disposed of without compensation.
- 8.4 Customer shall return the subject matter of the contract to FAIRNET immediately after the end of the event.
- 8.5 Customer shall have the duty of care and supervision for the entire subject matter of contract up to two hours following the close of the fair. If customer fails to meet his duties of care and supervision, it shall make good for any loss incurred by FAIRNET.
- 8.6 Customer shall take all necessary and reasonable measures to protect the subject matter of contract against damage or theft from handover to the return to FAIRNET.
- 8.7 Any use of the subject matter of contract by third parties shall subject to FAIRNET's express consent.

9. Liability by Customer

Customer shall be liable for the loss of or damage to the subject matter of contract in accordance with the legal provisions.

Customer shall be liable for all losses or damage to the subject matter of contract culpably caused by customer, its employees, agents or its own exhibits and facilities. Customer shall make good for all necessary expenses for the making/repair of the rented item up to maximally its value upon handover to customer. FAIRNET recommends insuring the subject matter of contract against loss, damage and vandalism at customer's expense. The insurable value will be advised by FAIRNET upon request. Any damaged infilling of modular stand walls will be charged at a piece price of EUR 50.00 plus value added tax.

10. Defects, Liability of FAIRNET

- 10.1 The subject matter of contract or parts thereof is/are not necessarily new. It shall in particular apply to fair stands of modular design. Minor signs of usage shall therefore not be considered defects.
- 10.2 Except where express provision is made to the contrary in the General Terms and Conditions of Contract including the provisions set out below, FAIRNET shall be liable for any breach of contractual and non-contractual duties as defined by the applicable statutory provisions.
- 10.3 As regards damages FAIRNET shall be liable on whatever legal grounds in cases of intent and gross negligence. In cases of ordinary negligence FAIRNET shall only be liable
 - for damage resulting from injury to life, body or health;
 - for damage resulting from breach of a material contractual duty (the fulfilment of which enables the proper performance of the contract in general and the performance of which the customer usually relies and may rely on); in such case, however, the liability of FAIRNET shall be limited to the replacement of the foreseeable, typically occurring damage.
- 10.4 The limitation of liability as per No. 10.3 shall not apply to cases where FAIRNET has fraudulently concealed a defect, given a guarantee or promised a quality of the subject matter of contract. The same shall apply to claims arising out of the product liability act.

11. Copyright and Other Intellectual Property Rights

- 11.1 The draft documents, plans, drawings, manufacturing and assembly documents as well as the design and concept description shall remain FAIRNET's intellectual property. Customer shall not be entitled to reproduce, utilize or disclose it to any third party without FAIRNET's consent. Customer shall also not be entitled to produce replicas from it unless agreed otherwise.
- 11.2 For any breach of the duties as per No. 11.1 customer shall pay a penalty of 50% of the remuneration agreed by the parties for the relevant subject matter of contract but not less than EUR 5,000.00. Said penalty will be set off against any damage claim. Any further claim in particular for omission shall remain unaffected.
- 11.3 Even after payment of the agreed remuneration the copyright in the documents as per No. 11.1 and the works made by FAIRNET shall remain with FAIRNET.
- 11.4 FAIRNET shall be entitled to place the name of FAIRNET in adequate size on the items, especially fair stands, made by FAIRNET or made according customer's plans. FAIRNET shall also be entitled to take its own photos free of charge and with no separate permit by customer of the services rendered and the fair stands let, publish and use the same for the purpose of advertising.
- 11.5 Customer shall grant FAIRNET the exclusive right of use and utilization with no restrictions as to time, content and location for all known and unknown types of use and media in connection with the services rendered and the fair stands let, thus including the subject matter of the contract, and the right of use of the images produced irrespective of their number and form for commercial and/or non-commercial purposes.

12. Choice of Law, Jurisdiction, Severability

- 12.1 The General Terms and Conditions of Contract and all legal relationships between FAIRNET and customer shall be subject to the law of the Federal Republic of Germany.
- 12.2 If customer is a merchant as defined by the Commercial Code, a public law entity or special fund under public law, sole including international place of jurisdiction for all disputes directly or indirectly arising out of the contractual relationship shall be FAIRNET's place of business in Leipzig. FAIRNET shall be entitled, however, to take legal action at the customer's general place of jurisdiction.
- 12.3 As far as the contract or these General Terms and Conditions of Contract contain any gap those legally effective provisions shall be considered agreed for filling such gap which would have been agreed by the parties based on the economic objective of the contract and the purpose of these General Terms and Conditions of Contract if they had been aware of the gap.

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