

General Terms and Conditions of the Design Zentrum Nordrhein Westfalen e.V. and red dot GmbH & Co. KG concerning the "red dot award: product design" competition

Article 1 General/Scope

The following General Terms and Conditions apply to all legal relationships between the Design Zentrum Nordrhein Westfalen e.V. and red dot GmbH & Co. KG (hereinafter referred to jointly and severally as the "organiser") and all potential and actual entrants (hereinafter referred to in brief as "entrants") in the "red dot award: product design" competition. Terms which oppose or deviate from these General Terms and Conditions shall not apply, unless the organiser has given his express written consent.

The mutual obligations of the parties shall be as set out in the separate schedules of services for the "red dot award: product design" competition and in the price list.

Article 2 Prices/Terms of payment

1. The prices quoted on the price list are firm and may not be increased during the term of the contract. Should the contract be tacitly prolonged, the price listed at the commencement of the prolongation period shall however apply for that period.
2. Payments shall be due immediately on receipt of the invoice. The entrant shall be deemed in default on failure to settle payments due within 30 days of receipt of an invoice or equivalent demand for payment at the latest. The organiser reserves the right to set the entrant in default at an earlier date after payment has become due by issuing a reminder. Irrespective of sentences 1 and 2, the entrant shall be deemed to be in default when it has been agreed that payment shall be made by a certain calendar day and the payment has not been made by that date.
3. The entitlements of the organiser shall not admit any rights of retention or offsetting, even based on the assertion of non-performance or defective performance of the contract, unless such counter-claims have been recognised in an enforceable judgement by the courts, are undisputed, or recognised by the organiser.

Article 3 Term and termination

1. The legal relationships covering the presentation of the products/exhibits in the red dot design museum and in the online exhibition shall be subject to time limits. The durations shall be as stated in the schedules of services.
2. The organiser shall be entitled to terminate these legal relationships if the entrant is in arrears with his remuneration for more than two monthly fees.
3. The products/exhibits shown must be collected on expiry of the exhibition period.

Article 4 Warranty

1. The organiser shall be free to determine the nature of the presentation of the products/exhibits in the red dot design museum, in the International Yearbook and in the online exhibition. In the case of defective presentation of the product/exhibit by the organiser, taking this proviso into account, the entrant shall be entitled to a perfect substitute presentation to the extent to which the purpose of the presentation was impaired. Should the organiser fail to make the substitute presentation within a reasonable period, the entrant shall be entitled at his option either to reverse the contract (rescission) or require a reduction in price (abatement). If the substitute presentation is of no interest to the entrant on account of the passage of time, the entrant shall be entitled to withdraw from the contract or to require compensation.
2. The entrant, who is an entrepreneur in the sense of Article 14, para. 1 of the German Civil Code (BGB), is to check the presentation without delay after its initial publication and report any defects immediately. In the case of obvious defects, the period for reporting/rectification shall commence when the presentation is made public, and for concealed defects on their discovery. Should the entrant fail to report the defect, the presentation shall be deemed to be free of defects and approved.

Article 5 Intellectual and industrial property rights

1. Products/exhibits whose presentation infringes an intellectual or industrial property right (trade marks, utility models, patents or similar rights) are excluded from participation in the competition.
2. Entrants are to inform the organiser if legal proceedings (disputes in competition, patent, trade mark or copyright law connected with the product/exhibit entered) are pending with regard to the product to be assessed.
3. Note: The entrant grants "red dot GmbH & Co. KG" (hereinafter referred to as "red dot") time and geographically unrestricted, non-exclusive rights to the content and to exercise all Rights of Copyright and Rights of Production ("Neighbouring Rights") in all provided works (photos, texts and illustrations) free of any fee and without the need for "red dot" to credit and name the authors of the works. The granted right of use applies to all types of usage in connection with the "red dot design award," including publication in printed media, on the Internet, on data media (CD, CD-ROM, DVD, etc.) as well as in any advertisement related thereto. In the event of the copyright holder nevertheless asserting claims against "red dot," the entrant shall hold "red dot" free of any such claims. This

also applies in the event of any exploitation society in Germany or abroad asserting claims against "red dot" or against any third party (publishing house, printing company, etc.) commissioned by "red dot."

4. The entrant shall be liable for damages, and in particular claims by third parties, resulting from the infringement of property rights. He shall hold the organiser harmless from all obligations.

Article 6 Transport/Storage/Transfer of Title

1. The products/exhibits shall travel at the risk and cost of the entrant.
2. The submitted products must be collected after the adjudication and at the end of the legal relationship (Art 4 (7) of the "Conditions for participation and schedule of services") within the period stipulated by Design Zentrum Nordrhein Westfalen e.V. The entrant will be requested to take back the submitted products/exhibits at his own cost after termination of the legal relationship; the entrant shall be granted a period of 14 days from receipt of the request for this purpose. If the entrant does not recover the products/exhibits within the given time, title to the products/exhibits passes to Design Zentrum Nordrhein Westfalen e.V.
3. Moreover, Design Zentrum Nordrhein Westfalen e.V. is entitled to invoice the entrant € 50.00 per product per day commencing upon expiry of the legal relationship and ending upon expiry of the set period granted for recovery of the products/exhibits. The products/exhibits shall be stored at the risk and cost of the entrant.

Article 7 Liability

1. The Organiser is liable for losses incurred due to the willful intent or gross negligence of its employees, agents or vicarious agents as stipulated under German law. Moreover, the Organiser is only liable for loss of life, bodily injury or impairment of health or for breach of major contractual duties for which Organiser can be held responsible."
2. In cases of ordinary negligence the Organiser is only liable for typical and foreseeable losses.
3. Defects in presentation will be remedied by the organiser in the exhibition and the online exhibition without delay. In the event of defects in the Yearbook entrants shall not be entitled to demand correction or the insertion of an erratum slip, owing to the disproportionate problems this would entail.

Article 8 Concluding provisions

1. The place of performance is Essen, Germany. Any disputes between the parties shall be settled before a competent court in Essen. The organiser shall however also be entitled to pursue claims against the entrant before the courts at the entrant's location.
2. The legal relationships shall be governed exclusively by German law, including the UN Convention on Contracts for the International Sale of Goods. This shall also apply when the entrant is domiciled outside Germany.
3. Should any of the above provisions be ineffective in whole or in part, all other provisions shall remain effective. The parties shall, wherever possible, replace any invalid provision by an effective provision which corresponds to its commercial intent and purpose.

Conditions for participation and schedule of services: "red dot award: product design"

Preamble

The "red dot award: product design" competition is the continuation of the "Design Innovations" competition (DI). The "red dot award: product design" is a design competition organised in the stages of admission (conditions for participation), adjudication, award and consequences of the award.

The organiser of this competition is the Design Zentrum Nordrhein Westfalen e.V. (hereinafter referred to as the "organiser").

In the various stages of the competition, the services set out below are provided under the conditions described.

Article 1 Conditions for participation

1. The competition is open to businesses with finished products from industrial mass production (hereinafter referred to as "products"). Admission is dependent on the products having been launched on the market by 01.07. of the year of the competition and no more than two years previously. Each award winner may enter as many products as he wishes. Products which have been adjudicated in a previous "red dot award: product design" are excluded from the competition.
2. Only applications submitted promptly and correctly will be admitted to the competition. The registration form must be received by the organiser by the closing date. Images and texts submitted by the award winner will not be returned.
3. A further condition for participation in the competition is prompt payment of the entry fee. The bank transfer counter slip, credit card information or crossed cheque is to be submitted by the

closing date for applications together with one copy of the registration form. The amount of the entry fee can be found in the price list valid at the time of registration, which is attached to these conditions for participation and schedules of services.

Article 2 Adjudication

1. The organiser undertakes to submit all applications which comply with the conditions for participation as set out in Article 1 to the jury.
2. The jury, which is composed of independent experts selected by the organiser, decides in camera on the conferment of a design award on the basis of the application documents submitted.
3. All award winners admitted to the competition are advised of the results of the adjudication. The jury is not obliged to justify its decisions.

Article 3 Awards / contractual penalty

1. Individual products or genuine product families may receive the awards „red dot: best of the best“, „red dot“ or „honourable mention“.
2. It is only permitted to promote the actual award-winning products and, as the case may be, the award-winning product groups with the award and/or the red dot logo. It is understood that the winner is the Original Equipment Manufacturer (OEM). A use of the logo by a domestic or foreign marketing-/distribution- or other company which is not the OEM is only possible once red dot GmbH & Co. KG has reassessed the case and specifically approved the use of the logo for that purpose. As the case may be, putting the red dot label at the disposal shall require payment of a fee to red dot GmbH & Co. KG commensurate to the fee for the communications service. In this case, red dot GmbH & Co. KG commits itself to provide the winner with the red dot logo until the end of the product cycle lifetime. In case the participant negligently promotes an unawarded product or unawarded product group with the award and/or the red dot logo, he shall be obligated to pay a contractual penalty to red dot GmbH & Co. KG to the amount of 10,000.00 Euros for each singular act waiving the defence of continuation of offence. This shall not affect the right to claim further damages.

Article 4 Legal consequences of the award

On conferment of the "red dot award: product design," a contract with the following contents comes into effect between the award winner and the Design Zentrum e.V./red dot GmbH & Co. KG:

I. Contractual partner

The contractual partner of the award winner for all services concerning the exhibition, the guided tour and the Club Card in the red dot design museum, and the documentation of the award with a certificate (cf. Article 3) as well as the press service, is the Design Zentrum Nordrhein Westfalen e.V. With regard to the international yearbook, the red dot online exhibition and the communication service (logo use, design manual), the contractual partner is red dot GmbH & Co. KG, design promotion, Gelsenkirchener Str. 181, 45309 Essen, Germany.

II. Full Marketing Services Package

Presentation in the red dot design museum, in the "red dot award: product design" International Yearbook, on the internet www.red-dot.de under "product design", and use of the communication service.

In the case of an award won, the four marketing services (museum, yearbook, online exhibition, communications service) shall be bindingly accepted by the winner as a complete package. In this case, red dot GmbH & Co. KG shall ask the award winner only for the favoured size of presentation for the yearbook entry. The marketing services „online exhibition“ and „communications service“ shall be billed directly as booked services together with the yearbook entry. Prior to the award ceremony, the winner shall receive a separate bill for the exhibition unit(s) of the awarded product in the red dot design museum.

1. Museum: The Design Zentrum Nordrhein Westfalen e.V. undertakes to provide the following services: The Design Zentrum Nordrhein Westfalen e.V. undertakes to present the „red dot: best of the best“ and the „red dot“ - product in the red dot design museum for a fee for at least one year and the „honourable mention“ product as a poster for a fee for one year.

Furthermore the Design Zentrum Nordrhein Westfalen e.V. presents the award-winning product for a period of four weeks in a special exhibition of all winners of the current year's "red dot award: product design" in the red dot design museum.

At the opening of the special exhibition of all award winners in the current "red dot award: product design" competition, the Design Zentrum Nordrhein Westfalen e.V. shall host a press conference for presentation of the award-winning products.

The press service ensures that all the award winners are announced and presented to the media – press, radio and television. The award winners receive the press releases on the results of the

competition for their own use. In addition, the award-winning company receives a guided tour of the special exhibition for up to 25 persons. Furthermore, the award winner shall receive a Club Card from the Design Zentrum Nordrhein Westfalen e.V. entitling him to free admission to the red dot design museum for one year.

The award is documented by a certificate (cf. Article 3). The Design Zentrum Nordrhein Westfalen e.V. undertakes to provide the award winner, i.e. the manufacturing company and the responsible designer, with one certificate each documenting the conferment of the award after the award ceremony.

2. Yearbook, Online-exhibition: red dot GmbH & Co. KG undertakes to provide the following services: red dot GmbH & Co. KG presents the award-winning product in the International Yearbook for the year of the award, presents it in the online exhibition in the Internet.

Communications service: red dot GmbH & Co. KG provides as a communications service the award winner for the duration of the contract with the option of using the red dot label for his particular awarded product in form of a downloadable "data package", as well as with the Design Manual (in which the permissible use of the logo is regulated).

3. Should a more extensive presentation not be agreed by the parties, the minimum sizes are deemed to be agreed. The minimum sizes are as follows: 1/1 exhibition unit in the red dot design museum 1/3 page in the International Yearbook 1/1 web page in the online exhibition

The winners of the "red dot: best of the best" award are exclusively presented on a double (2/1) page in the International Yearbook. In addition, each "red dot: best of the best" award will be presented in the International Design Diary of the following year and as a webfile on the web page in the online exhibition.

The design of the award winner's presentation and that of the award-winning product follow the system adopted by the provider of the relevant service, i.e. the Design Zentrum Nordrhein Westfalen e.V. or red dot GmbH & Co. KG. The award-winning products will be labelled on the basis of the details on the registration form. The presentation in the Yearbook and the Design Diary will be clarified with regards to content with the customer who gives written consent. The last written declaration of consent is binding in each case. The yearbook data are regarded as master data and will be used for any further communication materials (certificates, posters, etc.). Changes to the communication materials can only be made subject to a fee. Advertising on products is prohibited.

4. The award winners are obliged to make the products and documents required for the relevant presentation as detailed on the registration form available for the duration of the presentation. In the event of the documents necessary for publication not being received in time, the organiser shall be entitled to publish the material submitted for the use of the jury (pictures and text) without the express permission of the award winner. In the event of material in the requisite form, quantity or quality not being available, red dot GmbH & Co. KG shall be entitled to refuse presentation. The costs incurred for preparation shall be reimbursed by the award winner to red dot GmbH & Co. KG on request.
5. The award winners are obliged to pay a fee to the relevant contractual partner for the presentation or use of facilities concerned. The amount of such fees can be found in the current price list at the time at which the contract comes into effect, a copy of which is attached to these conditions for participation and schedules of services.
6. The mutual obligations with regard to the presentation in the red dot design museum and the online exhibition come into effect on 01.07. of the year of the competition and end on 30.06. of the following year. The legal relationship can be terminated on 30.06. of the following year at the earliest, with three months' notice (receipt of notice of termination by 31.03. of the following year). The relationship is automatically prolonged by periods of 12 months at a time unless terminated by one of the parties with due notice.
7. Note: The award winner grants "red dot GmbH & Co. KG" (hereinafter referred to as "red dot") time and geographically unrestricted, non-exclusive rights to the content and to exercise all Rights of Copyright and Rights of Production ("Neighbouring Rights") in all provided works (photos, texts and illustrations) free of any fee and without the need for "red dot" to credit and name the authors of the works. The granted right of use applies to all types of usage in connection with the "red dot design award," including publication in printed media, on the Internet, on data media (CD, CD-ROM, DVD, etc.) as well as in any advertisement related thereto. In the event of the copyright holder nevertheless asserting claims against "red dot," the award winner shall hold "red dot" free of any such claims. This also applies in the event of any exploitation society in Germany or abroad asserting claims against "red dot" or against any third party (publishing house, printing company, etc.) commissioned by "red dot."