

#### **Section 1 General – Scope**

- (1) Our Purchase Terms shall be exclusively applicable; terms to the contrary or terms deviating from our Purchase Terms of the supplier shall not be recognised by us, unless we expressly agreed to their validity in writing. Our Purchase Terms shall also be applicable if we, duly aware of terms to the contrary or terms deviating from our Purchase Terms of the supplier, accept the supplier's delivery without reservation.
- (2) All agreements which are concluded between us and the supplier for the execution of this contract must be recorded in writing in this contract.
- (3) Our Purchase Terms are only applicable in respect of merchants as defined by Article 310, Paragraph 1 of the German Civil Code.
- (4) Our Purchase Terms shall also apply to all future business transactions with the supplier.

#### **Section 2 Offer – Offer documents**

- (1) The supplier shall be obliged to accept our purchase order within a period of two weeks.
- (2) We reserve title and copyright to diagrams, drawings, calculations and other documents; they may not be made accessible to third parties without our express written agreement. They are to be exclusively used for the production on the basis of our purchase order; they must be returned to us after the completion of the purchase order without specific request to do so. They must be kept secret from third parties; the regulation of Section 9, Paragraph (4) applies in this respect by way of supplementation.

#### **Section 3 Prices – Terms of payment**

- (1) The price stated in the purchase order is binding. Unless otherwise agreed in writing, the price includes free delivery and packing. The return of packing shall require a separate agreement.
- (2) The statutory rate of value added tax is not included in the price.
- (3) We can only process invoices if they – in accordance with the stipulations in our purchase order – quote the order number stated therein; the supplier shall be responsible for all consequences resulting from the non-compliance with this obligation, unless the supplier proves that it is not responsible for these consequences.
- (4) Unless otherwise agreed in writing, we shall pay the purchase price within 14 days, calculated from delivery and receipt of the invoice, with 3 % prompt-payment discount or within 30 days after receipt of the invoice net.
- (5) We shall be entitled to set-off and retention rights within the statutory scope.

#### **Section 4 Delivery time**

- (1) The delivery time stated in the purchase order is binding.
- (2) The supplier is obliged to inform us without delay in writing if circumstances occur or become recognisable to it which mean that the stipulated delivery time cannot be met.
- (3) In the case of default in delivery, we shall be entitled to the statutory claims.

#### **Section 5 Passage of risk – Documents**

- (1) Unless otherwise agreed in writing, delivery must be effected free of charge. The supplier shall insure the goods which are to be supplied at its expense for shipment and shall bear the shipment expenses.
- (2) The contracting parties agree an obligation to be performed at the creditor's place of business. The corporate domicile of Rosenberger-OSI is both place of performance and place of delivery, provided no other delivery address has been agreed. If the delivery address deviates from Rosenberger-OSI's corporate domicile, then the delivery address shall be regarded as place of performance and place of delivery. Passage of risk to Rosenberger-OSI shall only take place after unloading of the goods by the haulage company at Rosenberger-OSI's corporate domicile or, if agreed, at another specified destination.
- (3) The supplier is obliged to quote our order number exactly on all shipping documents and delivery notes; if it fails to do so, then we shall not be responsible for delays in processing.

#### **Section 6 Examination for defects – Warranty**

- (1) The plea of the failure to make a complaint in due time may not be raised.
- (2) We shall be entitled to the statutory warranty claims in full.
- (3) The warranty period shall be 24 months, calculated from the passage of risk.

#### **Section 7 Product liability – Indemnification – Third-party liability insurance cover**

- (1) If the supplier is responsible for a product fault, then it shall be obliged to indemnify us in this respect against third-party claims for damages upon first request if the cause is located in its area of control and organisation and it itself is liable in respect of third parties.
- (2) Within the scope of its liability for damages as defined by Paragraph (1), the supplier shall also be obliged to reimburse any expenses in accordance with Articles 683 and 670 of the German Civil Code and in accordance with Articles 830, 840 and 426 of the German Civil Code which arise from or in connection with a product recall undertaken by us. We shall inform the supplier of the contents and scope of the recall measures which are to be undertaken – in so far as is possible and reasonable – and shall give it an opportunity to comment. Other statutory claims shall remain unaffected.
- (3) The supplier undertakes to maintain product liability insurance with an insured sum of € 6 million per instance of personal injury/material damage as a lump sum; if we are entitled to more extensive claims for damages, then they shall remain unaffected.

#### **Section 8 Industrial property rights**

- (1) The supplier guarantees that no third-party rights are infringed in connection with its delivery.
- (2) If a claim is therefore made on us by a third party, then the supplier shall be obliged to indemnify us upon first written request against these claims; we are not entitled to enter into any agreements whatsoever with the third party – without the supplier's consent – and are especially not entitled to conclude a settlement.
- (3) The supplier's indemnification obligation shall refer to all expenses which we necessarily incur from or in connection with the recourse by a third party.

#### **Section 9 Reservation of title – Provision of materials – Tools – Confidentiality**

- (1) If we provide parts to the supplier, then we reserve title to them. Processing or transformation by the supplier shall be undertaken for us. If our goods subject to reservation of title are processed with other articles which do not belong to us, then we shall acquire co-ownership of the new article in proportion of the value of our article (purchase price plus VAT) to the other processed articles at the time of processing.
- (2) If the article provided by us is inseparably mixed with other articles which do not belong to us, then we shall acquire co-ownership of the new article in proportion of the value of the goods subject to reservation of title (purchase price plus VAT) to the other mixed articles at the time of mixing. If the mixing is undertaken in such a way that the supplier's article is to be regarded as the principal article, then it shall be regarded as agreed that the supplier assigns co-ownership to us on a pro rata basis; the supplier shall hold the sole property or joint property in safekeeping for us.
- (3) We reserve title to tools; the supplier shall be obliged to use the tools exclusively for the production of the goods ordered by us. The supplier shall be obliged to insure the tools belonging to us against fire and water damage and theft at their replacement value at its own expense. At the same time, the supplier here and now assigns to us all compensation claims arising from this insurance; we hereby accept the assignment. The supplier shall be obliged to carry out any necessary maintenance and service work as well as all upkeep and repairs on our tools at its own expense in good time. It must notify us immediately of any faults; if it culpably fails to do so, then claims for damages shall remain unaffected.
- (4) The supplier shall be obliged to treat all received diagrams, drawings, calculations and other documents and information in strict confidence. They may only be disclosed to third parties with our express agreement. The confidentiality obligation shall also continue to apply after the completion of this contract; it shall expire if and in so far as the production knowledge contained in the surrendered diagrams, drawings, calculations and other documents has entered the public domain.
- (5) If the security rights to which we are entitled according to Paragraph (1) and/or Paragraph (2) exceed the purchase price of all our goods subject to reservation of title which have not yet been paid by more than 20 %, then we shall be obliged at the supplier's request to release security rights accordingly of our choice.

#### **Section 10 Place of jurisdiction – Applicable law**

- (1) If the supplier is a merchant, then our corporate domicile is place of jurisdiction, currently Augsburg; we are, however, also entitled to bring an action against the supplier at the court competent for its domicile.
- (2) In all cases, especially also in the case of cross-border deliveries, the law of the Federal Republic of Germany shall be applicable. The application of the United Nations Convention on Contracts for the International Sale of Goods (CISG) of 11.04.1980 is excluded.

#### **Section 11 Security rights**

- (1) The supplier may not assign or pledge claims in existence against us.
- (2) The goods shall become our property with payment. If we pay by cheque, then we shall acquire ownership with the final crediting of the purchase price to the supplier.

#### **Section 12 Customs duty**

- (1) The supplier must exclusively arrange and process customs formalities and customs duty at its own expense. Rosenberger-OSI expressly points out that the supplier is not permitted without express written agreement to name Rosenberger-OSI as the declarant upon a customs declaration. If the supplier states Rosenberger-OSI without due authority to be the declarant to the customs authorities and if a claim is therefore made on Rosenberger-OSI by the customs authorities, then Rosenberger-OSI shall have a claim against the supplier to the reparation of its incurred loss, especially to the reimbursement of payments which must be made by Rosenberger-OSI to the customs authorities.
- (2) If in the case of deliveries from foreign customs territories Rosenberger-OSI's collaboration should be necessary for customs and import clearance, then the supplier must discuss this with Rosenberger-OSI as soon as possible and agree upon such action in writing with it.

#### **Section 13 Final provisions**

- (1) If individual terms of the contract or of the provisions of these Purchase Terms are ineffective in whole or in part, then the statutory regulation shall be applicable. The effectiveness of all other provisions and agreements shall not thus be affected.
- (2) No ancillary agreements have been concluded. Such agreements shall only be valid if stipulated in writing.