

Conditions of purchase

I. Scope of application

- 1) The following conditions of purchase („Conditions of purchase“) apply exclusively; supplier conditions conflicting with or deviating from these terms and conditions are not acknowledged by Max Schlatterer GmbH & Co. KG („Schlatterer“) unless Schlatterer has given its express consent in text form to their applicability. The Conditions of purchase of Schlatterer shall also apply if Schlatterer unconditionally accepts the delivery of the supplier whilst being aware of the supplier’s conditions which vary from or conflict with these Conditions of purchase.
- 2) All agreements concluded between Schlatterer and the supplier for the purpose of the execution of this agreement shall be set out in this agreement in text form.
The current version of these Conditions of purchase may be viewed here <http://esband.de/agb-shop>
- 3) These Conditions of purchase shall only apply to entrepreneurs pursuant to Section 14 BGB [German Civil Code] in accordance with Section 310 subsection 1 BGB [German Civil Code].
- 4) These Conditions of purchase shall also apply to future transactions between Schlatterer and the supplier.
- 5) Agreements that change, supplement or extend these Conditions of purchase, also side agreements as well as possible supplier’s conditions shall only be deemed effective against Schlatterer, if this has been confirmed by Schlatterer, fulfilling the criteria of the text form.

II. Offer, order and conclusion of contract

- 1) As regards his offers, the supplier has to abide by the requests made by Schlatterer; any variations in the offer must be pointed out explicitly, especially if the supplier is unable to fulfill a request made by Schlatterer concerning one or several items of the offer. Any offers submitted by the supplier are binding for him.
- 2) Orders are fully valid only insofar as they are confirmed in text form by Schlatterer. Advance orders placed verbally or by telephone shall not become effective until executed in text form; to comply with the text form requirement a transmission via fax and / or email will be sufficient. Consents, information, consultation or similar provided verbally or on the telephone, irrespective of them being provided prior to or after conclusion of contract, except in cases of gross negligence, shall not constitute any rights against Schlatterer or commitments by Schlatterer. Verbal agreements shall not become legally valid until the text form requirement has been complied with.
- 3) The Schlatterer order number must be stated on all correspondence, dispatch documents and invoices.
- 4) In the event that a price has not yet been fixed at the time of Schlatterer placing an order, the order is not to be considered as a request in a legal sense (Section 145 BGB [German Civil Code]) but as a request to the supplier to submit an offer to Schlatterer. In such case the price must be stated latest with the supplier’s proposal.
- 5) Within 7 working days after the date of order the supplier must confirm in text form his acceptance of an order made by Schlatterer, stating the date of delivery, confirming the price and indicating the order number of Schlatterer. Unless Schlatterer receives an explicit rejection of their order in text form within this period of time, the order shall be considered as accepted by the supplier.
- 6) Any correspondence will be maintained with the purchasing department of Schlatterer. Employees of other departments are neither authorized to this end nor do they have power to execute or enter into purchasing contracts or service, contracts for work and / or other similar agreements or ordering processes for Schlatterer. The same shall apply to any amendments or supplements made to the forms of contract mentioned above. In order to be legally effective, any agreements, supplements and / or closures of contract of the contracts forms listed above shall be subject to explicit approval of the Schlatterer purchasing department, unless such legal transaction is carried out by Schlatterer staff whose power of attorney or competence to act is listed in the commercial register.
- 7) If the supplier confirms a Schlatterer order based on deviating conditions, only legal provisions shall apply; in such case the supplier’s confirmation is not to be understood as an acceptance in

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a legal sense but as a new supplier proposal. In this case, the contract shall not come about until Schlatterer accepts the supplier's proposal in spite of deviating conditions under the terms and conditions stated in II., especially upon fulfilment of the text form requirement according to II. 2) of these Conditions of purchase.

- 8) Supplier compensation for the cost of technical and commercial aspects of tendering as well as cost estimates and possible technical tests carried out may only be demanded if explicitly agreed with Schlatterer and recorded in text form. This shall also apply if the respective contract (of delivery) does not come about or has not materialized.
- 9) The target appearance and workmanship of the delivery (-ies) and / or performance(s) is defined either in the supplier's order accepted by Schlatterer (providing the supplier sent a proposal to Schlatterer) or in the provision made by Schlatterer (providing the customer accepted an offer transmitted to him by Schlatterer), or in an acknowledgement of order. In case of doubt the order placed or the acceptance by Schlatterer shall apply.
- 10) Any Schlatterer documentation must be treated with the strictest confidence and may not be made accessible to any third parties, neither as documents nor in terms of content, without explicit prior approval by Schlatterer. By the same token, the documents may neither be published nor used or duplicated by the supplier or any third parties. If the agreement fails to come about, the supplier will immediately return all and any documentation to Schlatterer; any copies made or other reproductions of the above mentioned documents must be destroyed. Schlatterer unconditionally retains all property rights to all documentation and their contents as well as any industrial property rights and copyright in particular.
- 11) In the event that the supplier provided Schlatterer with samples, documents or other data media Schlatterer will return these to the supplier upon supplier's request or, if the order is not executed, at the supplier's expense. Schlatterer shall be entitled to destroy any samples, documents or other data media if their return is not requested within 3 months either after establishing that no order will be placed or after order processing and execution.
- 12) If the supplier presents Schlatterer with a specification he shall be obliged, upon first request, to hold Schlatterer harmless against any losses, damages, costs and other expenses Schlatterer may have to pay or is willing to pay due to the fact that the supplier's contractual processing of goods, based on his specification, turns out to be violating patent rights or other commercial or property rights of third parties.

III. Pricing and transfer of risk

If no special agreement has been made, suppliers prices (subsequently „prices“) shall be considered as fixed prices and „Freight and insurance paid up to“ Schlatterers place of destination (CIP pursuant to Incoterms 2010), if the suppliers performance (subsequently „performance“) is not provided from a third country of the European Union; if, however, the performance is provided from a third country of the EU, prices are considered “free to Max Schlatterer GmbH & Co. KG destination, duty paid“ (DDP pursuant to Incoterms 2010). All prices quoted include packaging but exclude VAT. The supplier bears the risk for the object until Schlatterer or a third party appointed by them accepts the performance at the place where the performance is to be fulfilled in accordance with the order.

IV. Delivery – delivery period

- 1) The period of performance stated in the Schlatterer request is based on information provided by the supplier. An extension of the period of performance upon Schlatterer's consent, concluded in text form, cannot be taken into consideration until the performance after next is carried out.
- 2) If no performance period has been agreed, the performance must be provided without delay unless circumstances or the kind of performance result otherwise.
- 3) Terms of delivery and delivery dates stated in Schlatterer orders are binding and refer to the arrival of goods at the place of reception designated by Schlatterer.
- 4) The supplier undertakes to immediately notify Schlatterer if circumstances are or become apparent which prevent him from complying with the set delivery time; this shall also apply if the supplier is not responsible.

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- 5) If the performance period cannot be complied with for reasons neither the supplier nor Schlatterer is responsible for, Schlatterer shall be entitled to withdraw from the respective contract in the event that compliance with the contract is no longer in the interest of Schlatterer due to either the estimated duration of the exceeded performance period or the lack of certainty concerning the date of compliance.
- 6) Liability limitations and disclaimers of liability of any kind on the part of the supplier's or of third parties are expressly contradicted. In the case of delivery delays Schlatterer shall hold legal claims. Following fruitless expiration of an adequate period, Schlatterer shall be especially entitled to demand compensation instead of performance and cancellation. If Schlatterer claims compensation, the supplier shall be entitled to prove to Schlatterer that he is not responsible for the breach of duty.
- 7) Schlatterer shall not be responsible in the event that Schlatterer is wholly or partially prevented from accepting the supplier's performance owing to force majeure. During the time of impediment Schlatterer shall be exempt from any duty or obligation to accept and is not liable for any resulting damages.

Schlatterer may terminate the contract by notification in text form and without observing a notice period if the impediment persists for a period in excess of 90 calendar days.

Considered as force majeure are all events whose occurrence and consequences on contract compliance cannot be prevented by Schlatterer by taking reasonable measures, especially regarding events outside of Schlatterer's sphere of influence. This can include war or war-like state, coup d'état, insurrection, revolution, riot, blockade, embargo, excessive industrial disputes, epidemics or natural disasters.

V. Date of invoicing and maturity

- 1) Invoices must be sent or transmitted to Schlatterer upon dispatch of goods or rendering of performance. Schlatterer ordering data including order number as stated by Schlatterer must feature on every invoice. Any additions and deletions need to be stated separately. In the case of delivered goods the piece count and weights determined at Schlatterer goods reception is definitive for calculation.
- 2) The price indicated on the order or acknowledgement of order is binding for both contractual parties.
- 3) In the event of partial deliveries or partial services and their invoices the status of contract performance and the overdue performance must be clearly emphasized and stated. The supplier shall be responsible for any consequences as a result of non-compliance in this regard.
- 4) Invoices shall not become due for payment until performance has been fully completed. Maturity of invoices sets in only upon full reception of supplier acceptance documents, material products or similar documents at Schlatterer, if the supplier needs to provide such documentation in addition to his performance. Payment dates or payment targets from the due date are negotiated individually and must be recorded in text form. Unless explicitly agreed the rules pursuant to VI. shall apply.
- 5) In the case of hire work and / or installation work being executed, which are invoiced on an hourly basis, costs must be stated separately per person performing. For any proofs relative to personnel-related expenses to be legally effective, such document must be counter-signed by Schlatterer.
- 6) Schlatterer payments are effected in each case with the reservation to correct or reclaim in the event that, subsequently, an inaccuracy in calculations and / or objections occurs. Payments do not constitute acknowledgement of performance as per agreement.
- 7) Invoices not duly issued are considered non-issued.
- 8) The required supplier's declarations must be presented to Schlatterer immediately by the supplier with the issuance of invoices. Any long-term declarations must be submitted no later than the date of issuance of the first invoice; should they no longer apply the supplier must notify Schlatterer without delay.

VI. Terms of payment

- 1) Unless explicitly agreed to the contrary, payment is made, upon Schlatterer's choice, within 14 days with a discount of 3% or 30 days net.
- 2) With the exception of cases listed in V. payment period shall commence upon receipt of invoice, however, at the earliest from the date of receipt of delivery. Schlatterer explicitly reserves the right to choose the mode of payment.
- 3) The supplier may assign his claims towards Schlatterer only upon explicit consent in text form to third parties, in part or in full, or permit third parties to collect same in part or in full.
- 4) Schlatterer has the right to set-off and retain payments to the extent permitted by law.

VII. Dispatch

- 1) All consignments must include a delivery note stating Schlatterer ordering data and material and batch designations of the delivered material or the delivered goods, stating their exact quantity. With partial deliveries any quantities still outstanding must be delivered too.
- 2) The supplier must notify Schlatterer immediately of any required official authorizations and existing reporting obligations in connection with imports and the operation of deliveries.

VIII. Supplier-bound execution, partial delivery and packaging

- 1) The supplier is obliged to carry out the expected performance himself. Without consent in text form by Schlatterer, the supplier is not entitled to have the performance executed by third parties and / or use subcontractors.
- 2) If the performance to be carried out includes the delivery of goods, the dispatch must enclose a delivery note with relevant ordering data.
- 3) Delivery items must be duly packaged; the packaging must meet all technical, statutory and official requirements or regulations.
- 4) If, in exceptional cases, Schlatterer and the supplier agreed separate payment for packaging, Schlatterer shall be entitled to a freight-paid return to the supplier of any packaging in good condition, to be credited to Schlatterer at two thirds (2/3) of the invoiced amount; the packaging is considered to be in good condition if it is in a state suitable for customary use and features a condition which is normal for products of the same kind.
- 5) Transport packaging is to be taken back free of charge, upon request at any time, even if Schlatterer demanded delivery of goods or execution of a performance in transport packaging. If transport packaging is not taken back as part of the delivery, or is not picked up within two weeks upon request by Schlatterer, Schlatterer shall be entitled to return or eliminate the packaging material at the supplier's expense.
- 6) Non-stipulated performances, especially deliveries, may be returned upon cost and risk of the supplier.
- 7) The supplier is liable for any damages Schlatterer may incur due to any violation of provisions and / or legal regulations regarding the transport of goods.

IX. Incoming goods inspection and complaints concerning defects

- 1) Schlatterer must notify immediately and in text form of any defects in the performance or delivery as soon as they are determined according to the conditions of a proper business flow. In this respect the supplier foregoes objection to a delayed notification of defects. Hidden defects shall be deemed to have been timely objected to if the complaint is lodged immediately with the supplier after the defect has been discovered.
- 2) Deliveries involving significant unit quantities of the same items are examined by way of sample checks. The supplier waives any possible objections stating that the duty to examine pursuant to Section 377 HGB [German Commercial Code] has not been observed.
- 3) Insofar as permissible marginal quality values are exceeded, Schlatterer shall be entitled, at their own discretion, to reject the entire performance or delivery without further examination or to carry out a further examination; in such case the supplier shall bear the full cost of returning the goods or of a further examination.
- 4) Insofar as the object of the performance is not a delivery of goods to Schlatterer but, according to the agreement, a direct delivery from the supplier to processors who have been ordered by Schlatterer, Section 377 HGB [German Commercial Code] shall apply with the stipulation that Schlatterer's obligation to inspect, notify and reject shall not commence until the product, manufactured by the processor, has been received by Schlatterer.

- 5) Within the scope of current business relations and when an object of performance or delivery has primarily been inspected, tested and released, the supplier shall be obliged to notify Schlatterer of his own accord and in text form concerning any product change. In cases of ongoing deliveries or a delivery upon product release the supplier is additionally obliged to notify Schlatterer in text form of any changes and / or deviations in his company's manufacturing conditions, especially with regard to an exchange of tools, machines or upon introduction of new manufacturing procedures, and to examine the object of delivery concerning any deviations and changes.
If the supplier fails to notify in the above listed cases, Section 377 HGB [German Commercial Code] shall not apply even if the changed nature of the object of delivery leads to a defect.
- 6) In the case of deliveries the supplier is obliged to examine any goods prior to dispatch with a view to them complying with the specifications stated in the order, showing no defects. Any measures that need to be taken based on a possibly agreed quality assurance system with Schlatterer are to be strictly observed; in manufacturing, particularly any precautionary measures are to be structured and realized in such a way that expenses relative to quality assurance to be borne by the supplier and by Schlatterer are kept to minimum. If goods are delivered subject to violation of the above mentioned obligations concerning outgoing goods inspection the supplier may not plead Section 377 HGB [German Commercial Code].
- 7) If repairs or replacement delivery in cases of defect fail, Schlatterer shall not be subject to a repeated duty to examine pursuant to Section 377 HGB [German Commercial Code].

X. Quality standards, material and legal defects, compensation for damages

- 1) The supplier warrants that his performance or the object of delivery does not have any material and / or legal defects. Among other reasons, such a defect exists if at the time of transfer of risk the object of delivery does not comply with the contractually agreed or commonly expected purpose, generally recognized rules of technology and applicable legal and official provisions, especially regulations concerning licensing, health and safety, and accident prevention.
All performances and / or objects of delivery must comply not only with specifications, drawings and / or other data but also with applicable legal regulations at the time of delivery, rules of safety technology, relevant standards and guidelines of trade associations, trade control, the German Technical Inspection Association (TÜV), latest VDI guidelines and its subgroups as well as national and international norms (e.g. CE, DIN, CEN or ISO) in their respective applicable version.
The supplier warrants that his products have or comply with the agreed quality characteristics, especially those specifications as required by Schlatterer; any changes and deviations require, on principle, the consent in text form by Schlatterer. The supplier herewith agrees to quality audits aimed at Schlatterer, or a party authorized by Schlatterer, assessing the effectiveness of a quality assurance system that may involve a Schlatterer customer.
- 2) Upon request of Schlatterer and for Schlatterer the supplier shall be obliged to provide a sample and / or data sheets free of charge. Sample qualities and information on the data sheets are to be understood as quality guarantees and are agreed as such; this shall also apply for any information provided in factory certifications. The supplier is obliged to carry out all required checks aimed at production reliability and achieving the guaranteed quality, and to provide Schlatterer with proof thereof, if requested; upon request, the supplier is willing to sign a quality assurance agreement with Schlatterer.
- 3) The supplier must carry out a quality assurance that is suitable in type and scope, complying with state-of-the-art technology, providing Schlatterer upon request with proof thereof.
- 4) Schlatterer must be notified immediately and in text form of any opportunities for improvement and technical changes.
- 5) As far as it is possible, the supplier is obliged to mark, free of charge, any objects of delivery or performance in such way that they may be recognized as the supplier's. Any exceptions shall be regulated by individual contracts.

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- 6) The supplier guarantees that any replacements possibly needed by Schlatterer in connection with the performance or object of delivery are available for a period of 10 years; the above mentioned term commences upon transfer of risk.
- 7) Deviations from standards, guidelines and applicable technical norms are only permissible upon approval in text form by Schlatterer; this shall also apply if a different model offers the same safety. The consent by Schlatterer does not release the supplier from his sole responsibility for the performance's correctness and suitability.
- 8) The supplier is liable for any claims that may arise during the contractual use of the objects of delivery due to violating any property rights and applications for industrial property rights. The supplier indemnifies Schlatterer and their customers from any claims arising from the use of such property rights; if Schlatterer requests a special type of product, the supplier will notify Schlatterer immediately and in text form of any possible concerns. Should the supplier violate his obligation to notify, he must be fully responsible for the correctness and suitability of the performance.
Any parts provided by Schlatterer and any additionally delivered third parts upon Schlatterer's request must be examined by the supplier in terms of their suitability; any possible concerns must be communicated in text form to Schlatterer prior to service performance. The above rule shall apply if this obligation is violated against.
- 9) Any claims owing to material or legal defects shall be barred by limitation within 36 months from transfer of risk unless a different limitation period has been agreed by individual contracts or mandatory legal regulations of Sections 478 and 479 BGB [German Civil Code] intervene.
- 10) Schlatterer has an unabridged legal right to make claims based on defects; any restrictions concerning statutory rights in case of defects are not permissible. In the event of contracts of purchase and work supply Schlatterer may immediately demand, at their option, elimination of the defect or delivery of a fault-free item. In urgent cases and when the supplier's removal of a defect is delayed, Schlatterer shall be entitled to remove themselves any defects at the expense and risk of the supplier's or have them removed by third parties, even if sales law applies. If such case requires any documents or similar in the supplier's possession, they must be handed over to Schlatterer immediately. In these cases the supplier must, in addition, reimburse Schlatterer for any necessary expenses. The same shall apply if Schlatterer is threatened with incurring unusually high damages, or if estimated supplier's costs are higher than the costs of correcting the defects through Schlatterer or third parties.
- 11) Schlatterer is neither in agreement with a supplier's limitation of statutory claims for compensation with regard to the scale of fault nor concerning the extent of liability and liable sum. The right to claim damages, in particular for damages instead of performance, remains explicitly reserved.

XI. Product liability, exemption and product liability insurance

- 1) Insofar as the supplier is responsible for a case of damage in which Schlatterer is liable towards third parties, be that as defined in Section 823 BGB [German Civil Code], in product liability law or due to violation of these Conditions of purchase, especially those referring to quality assurance, the supplier shall be obliged to hold Schlatterer, upon first request, harmless from third party compensation claims inasmuch as the cause originates from the manufacturing or organizational areas of the supplier's. The supplier must fully indemnify Schlatterer to the extent that determining reasons include these areas. In addition, the supplier must point out any risks to Schlatterer that may arise from the use of his product if not used for its intended purpose. Any possibly required instruction of competent authorities pursuant to the provisions of the Product Safety Act (ProdSiG) will be given by Schlatterer in agreement with the supplier.
- 2) Within the scope of liability for damages in the sense of XI. 1) the supplier is obliged to reimburse any expenditures pursuant to Sections 683, 670 BGB [German Civil Code] or pursuant to Sections 830, 840, 426 BGB [German Civil Code] that may arise from or in connection with a replacement action or recall campaign (subsequently "measure/s") implemented by Schlatterer, including collective and individual measures. In the event of a measure, Schlatterer will notify the supplier concerning content and extent of the measure to be

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implemented as far as that is feasible and reasonable, giving him the opportunity to state his opinion.

Any other statutory claims shall remain unaffected.

- 3) At his own expense, the supplier must take out a liability insurance sufficiently covering any damages caused by him, his staff, vicarious agents or authorized persons by way of in the process of performance. The amount insured per damaging event must be proved to Schlatterer upon request.
- 4) The supplier commits to maintaining product liability insurance with an appropriate level of cover per personal damage or material damage. If Schlatterer is entitled to further damages, these remain unaffected.

XII. Contrasting bans of retention and offsetting bans, assignment

- 1) Where performance is defective Schlatterer shall be entitled to withhold any payments to the full amount unless good faith indicates otherwise.
- 2) The assignment of claims directed against Schlatterer shall only become legally effective upon consent in text form of Schlatterer.
- 3) A restriction to Schlatterer's legal offset options is explicitly contradicted.

XIII. Production facilities, drawings, certificate of origin and confidentiality

- 1) Schlatterer reserves ownership of all documents and parts, especially tools (subsequently „production resources and tools“), handed over to the supplier; the supplier is obliged to use such production resources and tools exclusively for the production of performances ordered by Schlatterer and to insure such production resources and tools pertaining to Schlatterer at his own cost and at their original value against damage by fire, water and theft. Schlatterer explicitly reserves all protective rights.
- 2) If the production of goods to be delivered to Schlatterer requires any production resources and especially tools, and if Schlatterer has to pay a fee for them, regardless of form, the supplier transfers ownership of such tool to Schlatterer until it has been paid. Insofar as Schlatterer picks up only a fraction of any tool costs, the supplier grants Schlatterer as of now a co-ownership share to the extent of the fraction paid for such tools.
The delivery of the tool possessed by the supplier shall be replaced by the fact that the supplier commits to safeguarding the tools at no charge on behalf of Schlatterer with the due care of a diligent businessman. The supplier may use the tools exclusively for the production of goods ordered by Schlatterer. At the same time, the supplier cedes as of now all rights to claim compensation from this insurance to Schlatterer. Schlatterer herewith accepts this assignment. As regards the tool, the supplier is obliged to carry any necessary maintenance and inspection work as well as servicing and repair works at his own expense and in a timely manner. He shall immediately inform Schlatterer of any malfunctions; if the supplier fails to do so, damage claims of Schlatterer shall remain unaffected.
- 3) Upon full completion of the performance or delivery of order, the supplier must return any production resources and tools to Schlatterer free of charge.
- 4) Any production resources and tools placed at the supplier's disposal shall be subject to copyright by Schlatterer. Upon execution of delivery or upon request these must be completely handed over by return to Schlatterer, including any copies. The same applies to any production resources, tools and documents the supplier produces according to Schlatterer specifications. The contracting parties herewith agree that ownership of these resources, tools and documents is transferred to Schlatterer and that these are safeguarded for Schlatterer by the supplier, free of charge.
- 5) The supplier warrants to treat as strictly confidential any and all commercial and / or technical details that are not in the public domain which become known to him through business dealings with Schlatterer, and that he will not disclose them to any third parties. This obligation remains effective even after the execution and / or fulfilment of the contract. It expires if and as far as the details so received have become publicly known.

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- 6) Where the supplier makes goods, tools or documents available to third parties, e.g. subcontractors, upon consent in text form of Schlatterer, the above listed (confidentiality) obligations must be equally imposed on them.
- 7) The supplier shall be liable for any damages Schlatterer incurs due to inappropriate treatment of tools and unsuitable use of production resources and tools which Schlatterer placed at the supplier's disposal.
- 8) Upon Schlatterer's request the supplier must prove the origin of goods by way of a certificate of origin insofar as this is not required by customs regulations.
- 9) The supplier is liable for any damages Schlatterer incurs as a result of violating against any of the duties listed above.

XIV. Retention of title

- 1) The supplier is entitled to supply goods against simple retention of title until they have been paid for in full. Any more extensive arrangements for the retention of ownership, especially with so-called extended reservations of proprietary rights or company reservations of proprietary rights are explicitly contradicted by Schlatterer.
- 2) Inasmuch as Schlatterer provides the supplier with parts (subsequently "conditional goods"); Schlatterer reserves the right of ownership of these parts. Processing or alteration by the supplier are carried out for Schlatterer. If the conditional goods are processed with other objects not pertaining to Schlatterer, the company acquires joint title to the new item in proportion of the value of the conditional goods (purchasing price plus legal tax) to the other items processed at the time of processing.
If the conditional goods are intermixed with other items not belonging to Schlatterer, the company shall acquire co-ownership of the new item in proportion of the value of the conditional goods (purchasing price plus legal tax) to the other intermixed items processed at the time of mixing. If mixing is carried out in such a way that the object of the supplier can be regarded as the main object, it is agreed that the supplier assigns co-ownership to Schlatterer on a pro-rata basis. The supplier shall hold sole or co-ownership in trust for Schlatterer, free of charge.
- 3) Insofar as the total of security rights held by Schlatterer exceed by more than 10% the purchase price of all goods not yet paid for by Schlatterer, upon request of the supplier Schlatterer shall be obligated to release any collateral rights, at their discretion.

XV. Property rights

- 1) The supplier warrants that no absolutely effective third party rights shall be breached in connection with his delivery, particularly patent rights, trademark rights and copyright.
- 2) In the event that any such claim is raised against Schlatterer by third parties, the supplier shall be obliged, upon first request of Schlatterer, to indemnify the company. Any expenditure Schlatterer incurs through or in connection with the claims asserted by a third party must be reimbursed by the supplier.
- 3) Furthermore, in the event of infringements, Schlatterer may request the following remedial actions from the supplier:
Free of charge obtaining of necessary approvals of the authorized party; insofar as these cannot be obtained, the supplier shall have to modify any products in such a way that they no longer infringe any rights and comply with the terms of the order, or offer replacement of those products by others that do not infringe any rights, or ensure a reclaiming of products that do not infringe any rights and provide reimbursement of any payments already effected.
- 4) The supplier grants Schlatterer, free of charge, all rights and licenses unlimited by time and space as may be necessary for the use and sale of delivered goods and / or performances for the exercise of these rights within the scope of the order.
- 5) Besides, claims to title defects shall be governed by the provisions of these Conditions of purchase or, in the case of compulsory law, by statutory regulations.

XVI. REACh, Compliance, proofs of origin, export restrictions

- 1) The supplier must comply with all official and statutory requirements, especially with relevant regulations pertaining to environmental protection, hazardous goods and accident prevention,

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also with protection standards concerning industrial law. Consequently, the supplier must ensure that all possibly relevant national and international regulations, provisions of national and international authorities and trade associations, including EU directives and EU regulations are complied with. In addition, the supplier commits not to violate against any third party rights. The supplier is especially obligated to comply with RoHS directive 2011/65/EU and REACH regulation 1907/2006/EG. The supplier must notify Schlatterer in text form immediately upon receiving knowledge of banned ingredients (SVHCs) in the object of performance or delivery.

- 2) Any certificates of proof and / or proofs of origin requested by Schlatterer must be provided by the supplier with all necessary information and placed at Schlatterer's disposal without delay, however, at the latest with the delivery of the goods. The same applies to supporting documents for value added tax purposes for foreign and intra-EU deliveries.
- 3) The supplier will notify Schlatterer immediately in the event that a delivery or the provision of a performance is wholly or in part subject to export restrictions according to German law or the jurisdiction of another state.

XVII. Data protection

Schlatterer is entitled to use data of the supplier received concerning or in connection with their business relationship regardless of whether this data originates from the supplier himself or from third parties, in accordance with the BDSG [German Federal Data Protection Act].

XVIII. Place of performance, third party liability, place of jurisdiction, applicable law, partial nullity

- 1) For all rights and duties arising from deliveries and performances, also for all disputes involving documents, exchange and cheque transactions in commercial dealings the place of performance for both parties is Herbrechtingen D-89542.
- 2) All aforementioned duties and obligations of the supplier also apply to all third parties whose services are utilized by the supplier in connection with executing the order, in particular pre-supplier and subcontractors of the supplier. In relation to Schlatterer the supplier must accept the fact that their conduct will be considered as his own behavior, especially in cases of breaches of duty.
- 3) In commercial dealings and for legal disputes for which the district courts have jurisdiction in rem, the Stuttgart District Court shall apply, and for lawsuits for which county courts have jurisdiction in rem, the Stuttgart County Court shall be agreed as place of jurisdiction. Any mandatory provisions of applicable law providing for exclusive jurisdiction shall remain unaffected by this clause.
- 4) The business relationship between Schlatterer and the purchaser shall be governed exclusively by the law of the Federal Republic of Germany; the UN Convention concerning contracts relative to the International Sale of Goods (CISG) and International Private Law shall not apply.
- 5) Schlatterer reserves the right to bring a claim before a court of law having jurisdiction over the supplier or with any other court of law that may have jurisdiction under national or international law.
- 6) Any amendments to these Conditions of purchase are subject to text form; this also applies for the possible renunciation of the text form requirement. There are no verbal side agreements.
- 7) Should individual provision of these Conditions of purchase become invalid, the validity of all other provisions will not be affected. Should any part of a clause be invalid this shall not affect the validity of the remaining part of the clause if it can be separated from the subclause and is in itself comprehensible and provides a reasonable provision in the structure of the contract as a whole.