

General purchasing conditions

§1 General information - scope of application

(1) The following purchasing conditions exclusively apply for all orders, commissions and formal agreements contracted with us. We shall not accept supplier's conditions that are contrary to or deviate from our purchasing conditions unless we have expressly given our written consent to the validity thereof. Our purchasing conditions shall also apply even if, being aware of the supplier's conflicting conditions or conditions diverging from our purchasing conditions, we accept delivery without reserve.

(2) All agreements reached between ourselves and the supplier regarding the execution of this contract are only obligatory to us if they were recorded in writing. The written form is equal to the transmission by fax, email or remote data transmission.

(3) Our purchasing conditions apply solely to companies pursuant to § 310 section 4 German Civil Code.

(4) These purchasing conditions shall also apply to all future business with the supplier, even if not explicitly and separately stipulated.

§2 Orders - Offer Documents

(1) The supplier is obliged to accept our order within a period of 1 week. Delivery requests shall be binding unless supplier raises an objection within 5 business days after receipt of same.

(2) We reserve ownership rights and copyrights to illustrations, drawings, calculations, and other documents. They may not be made accessible to third parties without our express written consent. They are to be used exclusively for production on the basis of our order. Upon completion of the order, they must be returned to us immediately and unsolicited. They must not be disclosed or provided to third parties. In addition, the regulation of § 9 section 4 also applies.

§3 Prices - Payment terms

(1) The price stated in the order is binding. In the absence of a deviating written agreement, the price shall include delivery "free to door", including packaging. Any return of packaging requires a special agreement.

(2) The legal VAT has to be stated otherwise it is deemed to be included in the price.

(3) Invoices can only be processed by us if they include order numbers as per our order specifications. The supplier is responsible for any consequences if this is not adhered to unless he can prove that he is not responsible for such an omission.

(4) We shall pay, unless otherwise agreed in writing, the purchase price within 14 days from delivery and receipt of invoice with a 3 % early payment discount, or net within 30 days of receipt of invoice. (5) We shall be entitled to offsetting and retention rights as permitted by law.

§4 Delivery period, delay in delivery

(1) The delivery date stated in the order is binding. The decisive factor for compliance with the date of delivery shall be proper receipt of the goods or services at our company.

(2) The supplier undertakes to inform us immediately in writing if circumstances occur or become known, which indicate that the confirmed delivery date cannot be adhered to.

(3) In the event of a delivery delay, we are entitled to claim a flat rate for liquidated damages of 1 % of the delivery value per full week, however, not more than 10%. Further legal claims remain unaffected, in particular, cancellation and damage compensation for performance. The supplier is entitled to prove to us that no or very little damage resulted due to the delay.

§5 Transfer of risk

- (1) Unless otherwise agreed in writing, delivery shall be made free to door.
- (2) With the handover of the sold item, the risk of the accidental loss or deterioration transfers to us.

§6 Investigation of defects, warranty

- (1) We examine the delivered goods with the accompanying documents only for identity and quantity as well as for externally visible transport damage. Defects in the delivery will be determined by us as soon as they are noticed within the normal course of business and the supplier will be notified within a reasonable time of at least 10 working days after the findings. To this extent the supplier waives the objection to delayed notification of defects (§ 377 HGB).
- (2) Should any expenses arise out of the deficient delivery of the subject matter of this agreement, especially transport, labour and material costs or expenses for an acceptance testing exceeding the extent of a normal testing, the supplier has to bear these expenses. We are entitled to demand compensation from the supplier for expenses which we had to bear in relation to our clients, because the latter has made a claim against us for reimbursement of the expenses required for the purpose of subsequent performance, in particular, transport, infrastructure, labour and material costs. If our client has installed the item according to its type and its use into another item or fitted to another item, then the supplier has to reimburse us as part of the subsequent performance any necessary costs for the removal of the defect item and the installation or fitting of a repaired or supplied fault-free item.
- (3) In the event that a defect appears in the purchased item within 6 months after transfer of risk, then it is assumed that this defect was already in existence at the point of transfer of risk unless this assumption is improbable due to the scope and manner of the defect.
- (4) The statutory claims for defects are available to us in full; in any case, we are entitled, at our own discretion, to demand of the supplier a remedying of the defects or delivery of a new item. We also expressly reserve the right to claim damages instead of such remedy or replacement.
- (5) We are entitled to remedy defects ourselves at the supplier's expense in the case of imminent danger or particular urgency.
- (6) The limitation period is 36 months from transfer of risk.
- (7) In the case of defects in title, the supplier shall additionally indemnify us against any third-party claims. A 10-year statute of limitations applies for defects in title.

§7 Product liability - Indemnification - Liability insurance

- (1) If the supplier is responsible for the damage to a product, he is obliged to indemnify us from third-party claims at first request, insofar as the cause is located within his sphere of control and organization, and he himself is liable in relation to third parties.
- (2) Within the context of his liability for claims in the sense of paragraph 1, the supplier is also obliged to reimburse any expenses pursuant to §§ 683, 670 German Civil Code or pursuant to §§ 830, 840, 426 German Civil Code, arising from or in connection with a recall initiated by us. We will notify the supplier about the content and extent of the recall action and give him the opportunity to offer his opinion, if possible and reasonable. This does not affect any other statutory claims.
- (3) The supplier agrees to maintain product liability insurance and recall cost insurance with at least € 10 million coverage per case of personal injury or property damage; if we are entitled to further claims for damages, these remain unaffected.

§8 Intellectual property rights

- (1) The supplier guarantees that no industrial property rights or third-party rights are violated within Germany in connection with its delivery.
- (2) If claims are asserted against us by a third party due to such infringement, the supplier shall be obliged to indemnify us from these claims upon first request; we are not entitled to conclude any agreements with the third party - in particular to make a compromise - without the consent of the supplier.
- (3) The supplier's indemnity obligation relates to all expenses necessarily incurred by us as a result of or in connection with the claim made by a third party.
- (4) The limitation period is ten years as of conclusion of contract.

§9 Retention of title - Provision - Tools - Secrecy

- (1) If we provide parts to the supplier we reserve title to these items. Any processing or transformation done by the supplier is being done on our behalf. If the goods supplied by us under reservation of title are processed together with other items that do not belong to us, then we shall acquire co-ownership of the new item created in the ratio of the value of our item (purchase price plus VAT) to the value of the other processed objects at the time of processing.
- (2) If the item supplied by us is intermixed inseparably with other items that do not belong to us, then we shall acquire co-ownership of the new item created in the ratio of the value of our item delivered under reservation (purchase price plus VAT) to the value of the other intermixed objects at the time of processing. If the mixing takes place in such a way that the supplier's item is to be regarded as the main item, the supplier hereby agrees to transfer to us pro-rata coownership of the same, whilst keeping the object in its possession.
- (3) We reserve the title to all tools provided by us to the supplier. The supplier undertakes to use the tools solely for the manufacture of the goods that we order. Suppliers agree to insure at their own expense the tools belonging to us at replacement value against fire, water, and theft damage. At the same time, suppliers assign to us all proceeds from any claims under this coverage. We hereby accept the assignment. Suppliers are obliged to carry out any required maintenance and inspection work on our tools at their own expense and in a timely manner. They must notify us of any incidents immediately. If they culpably fail to do so, our claims for damages remain unaffected.
- (4) Suppliers are obliged to keep all illustrations, drawings, calculations, and other documents and information strictly confidential. They may only be disclosed to third parties with our explicit consent. This obligation to secrecy shall survive the end of this contract and shall only expire if and to the extent that the manufacturing knowledge contained in illustrations, drawings, calculations, and other documents has become generally known.
- (5) Insofar as the security interests to which we are entitled to as per paragraph 1 and or paragraph 2 exceed the purchase price of all our unpaid retained goods by more than 10 %, we shall be obliged to release the security interests at our discretion upon the suppliers' request.

§10 Supplier Code of Conduct

We expect from our suppliers that they comply with the principles laid down in the Bossard Supplier Code of Conduct when carrying out their business. With acceptance of the order, the supplier is thus obliged to comply with the obligatory content in the Bossard Supplier Code of Conduct. The Bossard Supplier Code of Conduct can be downloaded at any time in our company internet presence ("Supplier Code of Conduct").

§ 11 Jurisdiction and place of performance

- (1) Insofar the supplier is a merchant jurisdiction is in Tatabánya. We are, however, entitled to bring legal action against the supplier also at the court of his place of residence.
- (2) Unless otherwise stated in the purchase order, our place of business shall be the place of fulfilment.
- (3) This agreement shall be subject to the laws of Hungary. The provisions of the UN Sales Convention do not apply.
- (4) Should one of the regulations agreed above be completely or partly inoperative this does not concern the effectiveness of the other purchasing conditions.