

BIPSO GmbH's Terms of Purchase (as at 04/2012)

§1 Scope

1. The contract is accepted and implemented on the basis of Terms of Purchase of the BIPSO GmbH ("BIPSO"). These Terms of Purchase apply to all of BIPSO's purchases of products and goods as well as of works and services from a supplier ("Supplier"). Terms used by the Supplier which oppose or contradict the BIPSO's Terms of Purchase are not recognized by BIPSO. Unless expressly provided otherwise in the respective provision, all provisions of these Terms of Purchase shall apply to purchase contracts, contracts for services and contracts for work and services equally.
2. The Terms of Purchase apply only in relation to contractors within the meaning of section 310(1) of the German Civil Code (BGB).
3. The BIPSO Terms of Purchase apply to all future business transactions with the same Supplier.

§2 Purchase orders/transfer of obligations

1. Purchase orders and changes to the purchase orders are binding only if executed or confirmed in writing by BIPSO. Purchase orders made via electronic goods management systems or internet portals are also valid.
2. In the absence of any other deadline, the Supplier is obliged to accept the order in writing or via electronic goods management systems or internet portals within a period of two weeks, after which BIPSO is no longer bound by its order.
3. The Supplier is obliged to provide the contracted service through its own company. Provision of the contracted service, in whole or in part, by third parties is possible only after BIPSO has given its prior express agreement in writing.

§3 Prices/terms of payment

1. The prices shown in the order are binding.
2. Statutory value-added tax must be shown separately on the Supplier's quotations and invoices, otherwise the statutory value-added tax is included in the Supplier's price.
3. Unless otherwise agreed in writing between BIPSO and the Supplier, the purchase price/contracted fee is payable within 30 days of supply and receipt of the invoice.
4. If the subject of the contract is the provision of a production service by the Supplier, delivery is replaced by acceptance.
5. BIPSO is deemed to be in default only if a written reminder is issued by the Supplier after the payment is due.
6. In the event of late payment, BIPSO bears the statutory default rate of interest of five percentage points above the basic rate of interest pursuant to section 247 German Civil Code(BGB).

§4 Investigation of defects/commercial transactions

1. BIPSO is exempt from the statutory duty to immediately inspect the delivered goods and immediately report any defects if the nature of the goods is such that an inspection upon delivery – even a spot check – may impair the quality of the goods. In the event of clear defects or obvious deviations in quantity a defect report is deemed to have been lodged in good time if it is received by the Supplier within ten working days after the goods have been received.
2. BIPSO is not obliged to report a defect if only part of a consignment is received unless this was expressly agreed with the Supplier.
3. Whether or not a defect is reported in good time is determined by when the defect report was sent by BIPSO to the Supplier. In all other respects, Section 377(5) of the German Commercial Code (HGB) applies.

§5 Warranty

1. The items purchased are supplied without defect of quality or of title. If a particular characteristic of an item purchased was not agreed, it is defect-free if, when the risk transfers to BIPSO, it is supplied in the

volume/quantity ordered and is suitable for its intended purpose under the contract or is suitable for its normal use and is of the quality customary for items of that type which can be expected by BIPSO given the nature of the item involved. If installation is agreed, a defect of quality is also present if such installation is not done correctly by the Supplier or his agents.

2. In addition, the Supplier must comply with the technical and statutory provisions relating to the use or processing of the item purchased that are in force at the time of the order.
3. In the event of a defective delivery (i.e. with a defect of quality or of title) BIPSO is entitled, at its choice, to remediation in the form of either the repair or the replacement of the item purchased. The Supplier will bear the cost of such repair or replacement. If the Supplier was given a reasonable period for supply or remediation, without success, BIPSO can reduce the purchase price or, if the defect is not inconsiderable, withdraw from the contract. In the event of any culpable failure by the Supplier to meet his obligations towards BIPSO in connection with entering into and implementing the contract or in the event of a delay by the Supplier regarding a service that was due to be provided by the Supplier and was provided only in part or not at all, BIPSO may also claim compensation or demand reimbursement of the expense incurred as a result of its confident expectation that the service would be provided.
4. If the subject matter of the contract is a production service ("Werkleistung") and this is provided by the Supplier (contractor) in a manner that is not free of defects or is in any way different to the service ordered or is provided in insufficient quantity, BIPSO is entitled to remediation. The supplier (contractor) may choose to either rectify the defect or make new product. The Supplier (contractor) will bear the cost of remediation. BIPSO is entitled to rectify the defect itself and to claim reimbursement of the expense incurred in so doing if an appropriate period set for remediation by the Supplier (contractor) passes without any result. Under the same circumstances BIPSO is entitled to payment of an advance by the Supplier (contractor) equal to the anticipated cost of remediation by BIPSO. If an additional period allowed for the Supplier (contractor) to rectify the defect has expired without any success, BIPSO may also reduce the contracted fee/price by an appropriate amount or withdraw from the contract provided that BIPSO bear no responsibility or partial responsibility for the defect and also provided that the defect is not merely immaterial. Under the same circumstances BIPSO is entitled to damage payment if the Supplier (contractor) culpably violated his contractual obligation to BIPSO, failed to remedy a defect or if BIPSO can no longer reasonably be expected to accept the goods or service.
5. The warranty period is two years from the date of delivery, or service, or in case of contracts for work and services from the date of acceptance, unless the statutory warranty period exceeds two years.
6. If the Supplier or a third party has given a guarantee declaration (guarantee of quality or durability), BIPSO's rights under the guarantee shall remain unaffected.

§6 Delivery time/late delivery/passage of risk

1. The execution and delivery times agreed in the order are binding. Early deliveries or services are not permitted without prior written consent by BIPSO.
2. The Supplier is obliged to inform BIPSO immediately in writing of any delay in delivery or services. If the goods are not delivered on time or the services are not provided in time, BIPSO's statutory rights apply.
3. The location for the delivery of goods or the provision of services is BIPSO's premises in Singen, unless otherwise specified in the purchase order.
4. Unless otherwise agreed, the risk is transferred upon delivery and hand-over of the goods to the agreed location of delivery or services.

§7 Producer liability/indemnification

1. If a producer liability claim is made, including but not limited to claims under the German Product Liability Act (Produkthaftungsgesetz), due to breach of official safety regulations or something similar, under domestic or foreign law against BIPSO on account of a defect in items provided by the Supplier, the Supplier shall indemnify and hold harmless BIPSO against any and all claims of third parties for any

damages caused by the Supplier. If BIPSO pays damages to third parties, the Supplier will reimburse these expenses provided that BIPSO is entitled to indemnification.

2. The costs to be reimbursed by the Supplier include the costs for an appropriate recall, to the extent the goods delivered by the Supplier were the reason for the recall.
3. The Supplier is obliged to take out and maintain appropriate liability insurance for product liability cases.

§8 Freedom from third parties' intellectual and industrial property rights

1. The Supplier assumes liability for any violation of patents, trademarks, utility models, copyrights or other third party intellectual or industrial property rights in Germany or abroad caused by the delivered goods, manufactured products and services and/or contractually appropriate use thereof.
2. In the event that the Supplier is obliged to pay damages due to a violation of industrial or intellectual property rights, it shall also indemnify BIPSO from all third-party claims without delay.

§9 Set-off/right of retention

The Supplier may only set off against claims that are undisputed or have been declared enforceable by a binding and final court decision. This also applies to legal rights of retention or refusal to perform.

§10 Place of performance/applicable law/place of jurisdiction

1. The place of performance for the obligations of both parties is Singen.
2. This contract is governed exclusively by German law with the exclusion of provisions of private international law. The United Nations Convention on Contracts for the International Sale of Goods (CISG) shall not apply.
3. The sole place of jurisdiction for all disputes is Singen for both parties. BIPSO is however also entitled to take legal action at the Supplier's general place of jurisdiction.

§ 11 Miscellaneous

1. The invalidity or unenforceability of individual provisions of these terms shall not affect the validity of the remaining provisions. In place of an invalid or unenforceable provision, the statutory provisions shall apply.
2. Agreements to waive or amend a requirement for written form must be made in writing in order to be valid. If written form is provided in these conditions for declarations by the parties, this requirement is also fulfilled by the text form in accordance with section 126b of the German Civil Code (BGB) (e.g. email, fax).

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