

TERMS AND CONDITIONS FOR PURCHASE OF THE ROSEN GROUP

Unless otherwise agreed upon, contracts with ROSEN shall be concluded subject to the following provisions. Conflicted or deviated terms and conditions of the Supplier shall not be binding to ROSEN. In the event that the clauses and/or content of the Contract between Supplier and ROSEN conflict with these Terms and Conditions, the contractual provisions shall have preference over these Terms and Conditions.

1 DEFINITIONS

In the Contract Documents, the following words and expressions shall have the meanings hereby assigned to them, except where the context requires otherwise. The terms defined under the following clauses shall include the singular and the plural as the context requires.

1.1 Amendments

Means any permitted amendment to any of the Contract Documents.

1.2 Approval

Means the written acceptance/confirmation of contractual modifications.

1.3 Contract

Means the entire integrated agreement between the Supplier and ROSEN, as evidenced by the Contract Documents.

1.4 Contract Documents

Means the Offer, ROSEN's Order with all appendices, these Terms and Conditions of Purchase, as well as any written modifications.

In the event of any discrepancy, contradiction or inconsistency, the order of priority of documents is as follows:

1. ROSEN's Order
2. Terms and Conditions for Purchase of the ROSEN Group
3. Offer

1.5 Goods

Means any physical items as well as software.

1.6 Delivery

Means the duty of the seller to deliver the goods and of the buyer to accept and pay for them in accordance with the terms of the Contract. In the case of services, delivery will mean the supply of a service.

1.7 Intellectual Property Rights

Means inventions, patents, or applications for a patent, design (registered or unregistered) utility models, rights to inventions, copyright and neighboring and related rights, moral rights, trademarks (registered or unregistered) and service marks, copyrights, name, business names and domain names, rights in get-up and trade dress, goodwill and the right to sue for passing off or unfair competition, rights in designs, rights in computer software, database rights, rights to use, and protect the confidentiality of, confidential information (including know-how and trade secrets) and all other intellectual property rights, in each case

whether registered or unregistered and including all applications and rights to apply for and be granted, renewals or extensions of, and rights to claim priority from, such rights and all similar or equivalent rights or forms of protection or other right in respect of any information, process, work, material or method, which subsist or will subsist now or in the future in any part of the world.

1.8 Offer

Means all documents of the offer of the Supplier, which are disclosed to the ROSEN Group, and all documents, which are transferred regarding a request for an order. Documents are all written and electronic information like data files, graphics and relevant papers.

1.9 Order / Purchase Order

Means a document provided by ROSEN authorizing a supplier to deliver goods with payment to be made at a later date.

1.10 Party / Parties

Means ROSEN and Supplier individually and collectively.

1.11 ROSEN

Means all members of the ROSEN Group and all ROSEN related Companies, its affiliates, successors and permitted assignees.

1.12 Services

Means the services to be rendered by the Supplier in accordance with the Order.

1.13 Subcontractor

Means a third party (supplier, sub-supplier, manufacturer, include legal representatives and successors) who has entered into an agreement with the Supplier for the supply of goods in connection with the Contract.

1.14 Supplier

Means the person or company that manufactures and supplies goods or services and is engaged by ROSEN and shall include Suppliers legal representatives, successors, agents and assignees.

1.15 Terms and Conditions

Means these Terms and Conditions for Purchase of the ROSEN Group.

1.16 Work Results

Means all patentable inventions, which result from technical development, work procedure and software.

2 ORDER / OFFER

2.1 The Supplier's Offer shall be valid for 30 (thirty) days. The Offer shall be non-binding and free of charge for ROSEN.

2.2 Only written Orders from ROSEN are valid. The Supplier shall confirm every Purchase Order in writing as well and shall exclusively regard to the subject in ROSEN's Purchase Order. The Supplier shall contain in all documents the order number and the order date. Delivery and invoice address may differ.

2.3 The Supplier shall confirm Orders in writing within 10 calendar days. If no confirmation is received within this period, ROSEN shall be entitled to revoke the Order. The Supplier shall not be entitled to claim ant damages in this case.

2.4 Modifications to the Contract Value, even if not apparent before performance of the Contract, the Supplier shall inform ROSEN immediately. Modifications shall be legally effective only with ROSEN's written confirmation.

3 DELIVERY

- 3.1 The Supplier shall deliver the Goods and/or perform the Services free of charge at the delivery point (the "Deliver Location") including packaging and if necessary with payment of duty, DDP, Incoterms 2010, and on the date(s) specified in the Order (the "Delivery Date"). If no delivery date is specified, Supplier shall deliver in full within a reasonable time of receipt of the Order. Timely delivery is of the essence. If Supplier fails to deliver the Goods or Services in full on the Delivery Date, ROSEN may terminate the Order immediately and Supplier shall indemnify ROSEN against any losses, damages, and reasonable costs and expenses attributable to Supplier's failure to deliver. Delivery shall not be deemed complete until receipt and acceptance of ROSEN. ROSEN has no obligation to accept the delivery before the appointed time.
- 3.2 In the case of delayed delivery by Supplier, ROSEN will demand fees as a contractual penalty at the rate of 0,5 % of the net order value for each started week, but maximum 5 % of the net order value.
- 3.3 All deliveries shall be made under consideration of the latest customs regulations, international and national dangerous goods and substances regulations. If necessary, deliveries of dangerous products shall be identified as such goods. In the case that ROSEN has to bear all costs incurred, the Supplier has to fulfill the shipment to the best conditions for ROSEN.
- 3.4 Before all deliveries, especially such of chemical products, the Supplier shall send product information, letters of assurance and information about legally restricted sales areas and exports barriers to ROSEN. All deliveries shall be made under consideration of the latest terms of scale, terms of transport and terms of packaging of railway, of traffic, of shipping, air transport especially regarding existing duty and shipment of dangerous goods regulations.
- 3.5 The Delivery Date shall be specified in the transfer documents (such as order no. and date, delivery address, dispatch address, number of items, rate of duty no., name of recipient, material no. and country of origin). Attention should be paid to the Deliver Location for shipment.

4 SUBCONTRACT

If the Supplier intends to use Subcontractors in fulfilling the Contract, the Supplier is required to obtain ROSEN's prior written approval. The Supplier shall instruct all his Subcontractors to name him in all shipping documents.

5 QUALITY ASSURANCE

- 5.1 If the Supplier operates a quality assurance system, ROSEN is entitled, to inspect the system within quality audits.
- 5.2 In case of any changes (esp. technical changes) of the product through the producer, the Supplier shall inform ROSEN through a Product Notification Change (PCN). The Supplier shall also inform ROSEN immediately, when the product shall not to be produced in future, with a Product Discontinuance Notification (PDN) or an End of Life (EoL). The information shall be supplied to ROSEN in written form and as soon as Supplier has knowledge about this.
- 5.3 In case Supplier provides Services and if ROSEN has any concerns regarding the qualification of the instructed employees of the Supplier, ROSEN shall be entitled to claim a replacement of these employees. In this case the Supplier is obliged to arrange qualified personal immediately. The agreed Delivery Date remain unaffected. In case Supplier intends to replace any of his personal, the Supplier shall obtain ROSEN's prior written approval.

6 FORCE MAJEURE

- 6.1 In case of Force Majeure and labour disputes, none of the Parties of the Contract shall be in default from their respective obligations under the Contract and shall be released from them during the duration of the disturbance and to the extent of the effects thereof. If the delivery from economical points of view cannot be used anymore because of the delay caused by Force Majeure or labour disputes, ROSEN shall wholly or partially be released from the obligation to accept the delivery ordered and shall be entitled to withdraw from the Contract.
- 6.2 Force Majeure Events are, war, internal disturbances, act of terrorism or other activities of the public authority, strike, lockout and other industrial conflict, acts of god and other not fungible or unreasonable circumstances.
- 6.3 The Supplier is entitled to performance in part only with ROSEN's prior written consent. The Supplier is obliged to advise ROSEN in writing and without undue delay, if circumstances occur or become apparent that the agreed delivery date could not be met. The Supplier is obliged to avoid a delay in delivery with all necessary efforts (overtime, increasing number of employees) – without additional costs for ROSEN.

7 ACCEPTANCE

- 7.1 All Goods and Services shall be subject to final inspection and acceptance of ROSEN, notwithstanding prior payment, which shall not constitute acceptance. ROSEN's approval shall not release Supplier of its obligations under the Purchase Order or as contained in these Terms and Conditions. ROSEN may reject and/or return at Supplier's expense any item which does not conform to ROSEN's Purchase Order, or which is otherwise defective or not in compliance with Supplier's warranties (express or implied). After notification to Supplier of rejection or revocation of the Goods and Services, all risk of loss with respect to such Goods shall be Supplier's risk.
- 7.2 ROSEN shall inspect and examine the delivery and report the obvious defects to the Supplier as promptly as practical. Hidden defects shall be reported immediately upon detection.

8 WARRANTY

- 8.1 The Supplier represents and warrants that (i) all Goods and Services are free of any claim of any nature by any third party and that Supplier will convey clear title to ROSEN, (ii) all Services are performed in a manner acceptable in the industry and in accordance with generally accepted standards, are free from all defects, are fit for the particular purposes for which they are acquired and are provided in strict accordance with the specifications or other requirements (including performance specifications) approved or adopted by ROSEN, and (iii) all Goods shall be of merchantable quality, free from all defects in design, workmanship and materials, and fit for the particular purpose for which they are purchased and that the Goods and Services are in accordance with the specifications, samples, drawings, designs or other requirements approved or adopted by ROSEN. ROSEN's inspection and acceptance or use of the Goods shall not affect Supplier's obligations under this warranty.
- 8.2 In all cases of notifications of defect, the Supplier has to take immediate measures and either rectify the defect or replace the defective delivery as requested at ROSEN's own discretion. All additional expenses based on the remedial actions (e.g. reworking etc.) shall be borne by the Supplier.
- 8.3 In case the Supplier is not able or not willing to take the appropriate measures, these actions can also be taken, with the prior written approval by ROSEN, through external partners or by ROSEN itself. The Supplier is obliged to compensate all damage, expenses and other disadvantages which are incurred to ROSEN in connection with remedy of the defects.
- 8.4 ROSEN will disclose the Supplier an adequate period of time in written form for remedying of defects. If the Supplier does not render performance within this given period of time or in cases of exposure the industrial safety or this cure is possible only at disproportionate expense, ROSEN or third parties shall remedying defects at the Suppliers expense.
- 8.5 The warranty period is bound by German law.
- 8.6 In case of claiming defects, the time between claiming and remedying defects does not have any effects on warranty period, i.e. warranty period will be extended accordingly.
- 8.7 The costs of remedying defects or of supplying replacements, delivery of the goods to the indicated place and all incidental cost (e.g. freight) shall be borne by the Supplier. This applies in particular to transport and travel expenses, and material and labor costs.

9 LIABILITY

- 9.1 The Supplier shall be liable for failures or delays caused by the default, failure or delay of a Supplier Subcontractor. In all events of defaults, failures or delays of Supplier or its Subcontractors, Supplier shall give immediate written notice to ROSEN, setting forth the cause when Supplier has reason to believe that deliveries will not meet the schedule.
- 9.2 The Supplier shall protect, defend, indemnify and hold harmless ROSEN from and against any claims, suits, losses, costs, expenses, damages, or liability, including without limitation for ROSEN's reasonable attorney fees, court costs and associated legal expenses, incurred on account of, or arising from any and all allegations or claims of bodily injury, death, or property damage resulting from (i) any act or omission of Supplier (including its agents, employees and Subcontractors) in the course of the performance of its obligations under this Contract or; (ii) any Supplier provided Goods or Services, or (iii) the handling, display, sale, use consumption or distribution by ROSEN or ROSEN's customers of Supplier's Goods or Services.
- 9.3 Any tangible or intangible property furnished to Supplier by ROSEN, are the property of ROSEN and, unless otherwise agreed in writing by ROSEN, shall be used only by Supplier solely to render the Services or provide the Goods to ROSEN. Supplier will not substitute any property or take any action inconsistent with ROSEN's ownership of such property. While in Supplier's custody or control, such property will be held at Supplier's risk, will be kept insured by the Supplier at its expense and, unless otherwise agreed on between the Parties, will be subject to return at ROSEN's written request.

10 INSURANCE

Supplier shall keep in full force and effect at all times a public liability insurance with coverage for both products and completed services.

11 TRESPASSING AND PASS OF ROSEN'S PREMISES

Entry to and driving on the premises shall be subject to timely registration. The Supplier shall take all necessary precautions to prevent injury to persons or damage to property. The Supplier's personnel entering ROSEN's premises is required to follow the rules, procedures and instructions given by ROSEN's personnel. The Supplier shall pay attention on the emergency and rescue plan as well as the security advices and appropriate notices. ROSEN is only liable for property damage in the case, when an executive employee acted deliberately or grossly negligent.

12 INVOICING/PAYMENT

Payment shall be made within 30 days net after receipt of the Goods or performance of the Services and receipt of the invoice. All claims for money due or become due from ROSEN shall be subject to deduction by ROSEN for any setoff or counterclaim arising out of any Order with the Supplier.

13 TERMINATION

ROSEN may terminate the Order either partly or in total at any time. After receipt of notice of termination the Supplier shall cease all work immediately, terminate the respective subcontracts and surrender all Contract Documents to ROSEN. ROSEN shall reimburse the Supplier for all direct costs incurred to the Supplier regarding the premature termination.

Either Party may terminate this Contract for cause by written notice, in case the other Party is in breach of any of its obligations under this Contract and does not remedy its default in due time.

The Order shall terminate automatically, without notice, if any Party becomes insolvent or the subject of any proceeding under the laws relating to bankruptcy or the relief of debtors.

14 CONFIDENTIAL INFORMATION

- 14.1 The Supplier shall keep confidential any technical, process, economic, or other information derived from drawings, specification and other data furnished by ROSEN in connection with the Order ("Confidential Information") and will not divulge, export, or use, directly or indirectly, such Confidential Information for its own or any other party's benefit without obtaining ROSEN's prior written consent. The Supplier shall not use such Confidential Information or make copies or permit copies to be made of such Confidential Information without the prior written consent of ROSEN.
- 14.2 Upon completion or termination of the Order, the Supplier shall promptly return to ROSEN all Confidential Information and any copies thereof, except for one record copy. The Supplier agrees that no acknowledgement or other information concerning the Contract between the Parties shall be made public by the Supplier without the prior written agreement of ROSEN.
- 14.3 The Supplier is obligated to treat all Confidential Information and other company and business secrets that it becomes aware of in connection with the execution of the Contract, for the duration of ten (10) years. The confidentiality obligation does not refer to information and data which is already in the public domain.

15 EXPORT

- 15.1 The export of certain goods might be, depending on its use or final destination, restricted. The Supplier is in case of exporting goods (products, Software, Technology etc.) obliged to strictly respect the applicable laws or regulations, embargos and other, especially of the European Union (EU), Germany and other EU countries, and if necessary of the USA. Furthermore the Supplier is obliged to comply with the formalities and procedures indicated by the country the goods exported to.
- 15.2 In case of any export restrictions on the goods delivered by Supplier, the Supplier is obliged to inform ROSEN with all necessary information and the applicable customs tariff number for each individual product. The applicable customs tariff number is also to be declared on the invoice. Supplier's obligation to provide ROSEN with all information applies to all changes in future concerning the customs tariff number and applicable laws and regulations etc. on the exported goods beyond the duration of the business relationship for 6 months. The Supplier insures, to comply with all current regulations at the date of delivery.
- 15.3 The Supplier will particularly check with great care and ensure that that the following regulations are respected and complied with at the date of delivery:
- o Embargo of the European community,
 - o EG-dual-use-VO with Appendix I, II, IV,
 - o German Foreign Trade and Payment Law (Außenwirtschaftsgesetz (AWG)),
 - o German Foreign Trade Ordinance (Außenwirtschaftsverordnung (AWV)),
 - o Export Control List,
 - o The Control Law of War Armament.
- 15.4 In the case of non-compliance with the provisions above, the Supplier shall be liable for all costs resulting from this.

16 ADVERTISING

Announcements of the business relations with ROSEN for advertising purposes - irrelevant in which mediums - requires ROSEN's previously written approval.

17 PLACE OF PERFORMANCE, JURISDICTION AND GOVERNING LAW

Place of performance is the place indicated in the Order. If no place is indicated or agreed, delivery shall be made to the premises of ROSEN. If the Supplier is merchant, a legal person under public law or a special fund under public law, the courts, where we have our registered office, shall have the jurisdiction. German Law shall be applicable. The application of the uniform law on international sale of goods (CISG) is explicitly excluded. The current Incoterms (2010) - ICC, Paris – apply if necessary.

18 NOTICES

All notices, consents, amendments, waivers and other communications shall be in writing.

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SEVERABILITY CLAUSE

If any provision of this Terms and Conditions shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable, this provision shall not affect any other provision or provisions contained in this Terms and Conditions.