

General Terms and Conditions of Purchase

§ 1 General – Scope

- (1) Our Terms and Conditions of Purchase apply on an exclusive basis; we do not accept Supplier's conflicting or different Terms & Conditions, unless we have acknowledged their validity explicitly and in writing. Our Terms and Conditions of Purchase shall also apply in the event that we accept Supplier's shipment, without reservations, with knowledge of conflicting or deviating terms set out by the Supplier.
- (2) All agreements we have made with the Supplier for the purpose of executing the present contract shall be set out in writing in the present contract.
- (3) Our Terms and Conditions of Purchase shall also extend to any further transactions with the Supplier.

§ 2 Offer – Offer Documentation

- (1) The Supplier is requested to check our order immediately. Only orders placed by RSP and confirmed by the Supplier within a period of two weeks are considered binding on us. All changes to the order which result in changes to specification, drawing, or quality standard, or otherwise exercise an influence on the operational reliability and the function of the machine, are only admissible with our prior written consent. The order may not be assigned to third parties without our consent.
- (2) We retain all proprietary rights and copyrights to illustrated matter, drawings, quotations and all other documents; they must not be made accessible to any third party unless RSP explicitly gives written consent. They are to be used solely for production purposes on the basis of our order; they must be returned to us without request on completion of the order. They shall be kept secret vis-à-vis third parties, and, in such respect, the provision of § 9 paragraph (3) applies additionally.

§ 3 Prices – Terms of Payment

- (1) The price specified in the purchase order is binding. Unless otherwise agreed in writing, this price includes packaging and delivery „free domicile“. The return of packaging material requires a special agreement.
- (2) We can only process invoices if - according to the particulars given in our order - these include the order number stated therein; the Supplier is responsible for any and all consequences arising due to non-compliance with this obligation, unless he furnishes proof that he is not responsible for such consequences.
- (3) Unless otherwise agreed in writing, we shall pay the purchase price either applying a 3% cash discount within 30 days after delivery and receipt of the invoice, or the net price within 60 days after receipt of invoice.
- (4) We have the rights of offsetting and retention to the extent allowed under the law. Supplier may only assign claims against us to third parties if we have given our consent.

§ 4 Delivery Period

- (1) The delivery time specified in the purchase order is binding.
- (2) The Supplier is obliged to notify us in writing without delay if any circumstances arise or if the Supplier becomes aware of any circumstances indicating that the agreed time limits for delivery may not be complied with.
- (3) In case of a delay in delivery we shall be entitled to claim lump-sum compensation at a rate of 1 % of the order amount for every complete week of the delay, but not more than 5 %; all rights to further-reaching statutory claims (withdrawal and compensation in lieu of performance) shall remain reserved. Supplier shall have the right to furnish evidence to show that the delay caused no loss, or a significantly lesser loss.

§ 5 Transfer of Risk – Documents

- (1) Unless otherwise agreed upon in writing, the delivery shall be effected free domicile.
- (2) The Supplier is obliged to quote our exact order number on all shipping documents and delivery notes; we are not to be held responsible for processing delays if the Supplier fails to do so.

§ 6 Examination for Defects – Liability for Defects

- (1) We shall be obliged to inspect the goods for possible variations in quality and quantity within a reasonable period of time; the complaint is deemed timely if received by the Supplier within 5 working days from receipt of the goods or, in the event of hidden defects, after their discovery. The quantities, dimensions, weights and quality of the delivered goods established during our incoming goods inspection shall be binding. Acceptance of the delivered goods takes place subject to inspection for correctness and fitness. Supplier is obligated to adhere to the generally accepted rules of engineering, safety regulations and the technical data agreed for the consignment, and to examine the quality of his products on a continuous basis.
- (2) We shall be entitled to statutory warranties to their full extent; in any case we shall have the right to demand, at our sole discretion, remedy or delivery of a new commodity. We expressly reserve the right to claim compensation, in particular the right to claim compensation in lieu of performance.
- (3) In the event of imminent danger or particular urgency, we shall have the right to take corrective action at the Supplier's expense.
- (4) The period of limitation shall be 36 months, counted from transfer of risk.

§ 7 Product Liability – Indemnity

- (1) Insofar as the Supplier is responsible for product damage, Supplier shall be obliged to indemnify us against all third-party claims for damages at the first request provided that the cause lies within the Supplier's organization and sphere of control and that the Supplier himself is liable vis-à-vis third parties.
- (2) As part of his liability for losses as defined in clause (1), the Supplier is also obligated to reimburse any expenses in accordance with §§ 683, 670, or §§ 830, 840, 426 of the German Civil Code, which may arise from or in connection with a recall carried out by us or by our clients. We shall notify the Supplier – to the extent feasible and reasonable – of

the content and the scope of the recall measures that are to be carried out and give the Supplier the opportunity to express his point of view. Other statutory claims shall remain unaffected.

§ 8 Industrial Property Rights

- (1) The Supplier guarantees that no industrial property rights of any third party will be infringed within the Federal Republic of Germany in connection with the Supplier's delivery.
- (2) If any third party asserts any claims against us for such reason, Supplier shall be obliged to indemnify us against any such claim on the first written request; we shall not be entitled to enter into any agreements with such third party, in particular into any settlement, without the prior consent from the Supplier.
- (3) The Supplier's obligation to indemnify shall apply to all expenses which we necessarily incur through or in connection with the claims asserted by a third party.
- (4) The period of limitation shall be 10 years, counted from the date of the conclusion of the contract.

§ 9 Retention of Title, Supplied Materials, Secrecy

- (1) Any material supplied to the Supplier by us remains our property. Processing or reforming the material by the Supplier is carried out on our behalf. In the event that the goods subject to retention of title are processed with other objects which are not our property, we acquire co-ownership to the new item at the ratio of the value of our item (purchase price plus VAT) to the other processed items at the point in time of the processing of the items.
- (2) If the item supplied by us is inseparably mixed with other objects not belonging to us, we acquire co-ownership of the new item at the ratio of the value of the item subject to retention of title (purchase price plus VAT) to the other objects mixed-in at the point in time of the mixing. If the mixing happens in such a way that the object of the Supplier is deemed the main thing, it shall be agreed that the Supplier assigns to us pro-rata co-ownership; the Supplier shall safeguard the sole or co-ownership on our behalf.
- (3) The Supplier is obliged to keep strictly secret all pictures, drawings, quotations and other documents and information received from us. They shall not be disclosed to any third party without our express consent. This obligation of confidentiality shall survive the completion of the activities under this contract; it shall expire when and to the extent that the manufacturing know-how contained in the pictures, drawings, calculations and other documents has become public knowledge.
- (4) In as much as the value of the security rights to which we are entitled pursuant to clause (1) and/or clause (2) exceeds the purchase price of all unpaid goods subject to retention of title by more than 10 %, we are obligated to release such security rights at our option upon the Supplier's demand.

§ 10 Quality Requirements/Origin of goods declaration

- (1) The Supplier is obliged to adhere to the technical data demanded for his commodities in accordance with the documents upon which this purchase order is based (such as drawings, technical terms and conditions of delivery, specifications, descriptions and/or samples).
- (2) If the technical data as specified in the purchase order and in its underlying documents do not completely define the quality of the goods desired by us, Supplier shall indicate and continuously apply a mandatory quality designation to ensure continuous quality. The requirement to ensure continuous quality as a minimum shall also be applicable to any further purchase order. The Supplier shall inform us in a timely manner of any forthcoming change in quality, by sending samples, if so required. Any change in quality unfavourable to us and made without prior notification shall give us the right to reject the acceptance of such delivered goods, and to claim any damages related thereto.
- (3) The supplier is obliged to great a declaration of origin of goods after the first request.s.

§ 11 Place of Jurisdiction – Place of Performance – Choice of Court

- (1) Unless otherwise specified in our purchase order, the place of performance shall be our place of business in Saalfeld.
- (2) The place of jurisdiction shall be Saalfeld; however, we shall be entitled to bring proceedings against the Supplier also at his place of business.
- (3) The above conditions are governed exclusively by the laws of the Federal Republic of Germany under exclusion of the UN Convention on the Sale of Goods.

