

General Conditions of Purchase

1. Scope

- 1.1. The following general Conditions of Purchase apply in full on behalf of RST Rostock System-Technik GmbH (hereafter, „RST“) according to goods and/services acquired from the suppliers.
- 1.2. Variations to these Conditions of Purchase or the supplementary General Trading Conditions of the suppliers are non-binding for RST, as well as if RST does not expressly contradict them, or the supplier declares its wish to deliver only according to the General Trading Conditions.

2. Conclusion of a Contract

- 2.1. If the supplier does not honour an order from RST in less than two weeks after the written receipt of an order, RST can cancel the order. Regarding the expiration of delivery times, the receipt of the delivery at RST is applicable.
- 2.2. The acceptance of an order must contain all essential order information, especially the exact description of the deliverables, order number, order and delivery dates as well as price.
- 2.3. Amendments or changes to an order through the supplier are only effective with written confirmation from RST.
- 2.4. The supplier is not entitled without prior written notification from RST, to award an order, either in part or in full, to any third party, or to allow any order to be undertaken by any third party. The unqualified passing on to a third party entitles RST, either in part or in full, to declare the contract invalid and to demand damages.
- 2.5. Any subcontractors authorised by RST shall be obliged to forward all requirements of the acquisition documents as well as key features contained in those documents to the following supplier.

3. Prices

- 3.1. The supplier's price applies to the available place of delivery. Packaging, loading and freight costs are included in the price before the cost of insuring the transport of goods. The supplier is responsible for specific costs regarding hazard during transit, import and export permits, or other official authorisations, as well as for all customs formalities, which are necessary for the import and export of goods and where appropriate, for the transit through a third country as necessary.
- 3.2. The agreed price is fixed and precludes any additional charges or price increases of any form.

4. Conditions of Payment

- 4.1. The supplier's invoices shall be produced in duplicate copies, and for each delivery, all data relevant to the order must be stipulated.
- 4.2. Payments by RST should be made – provided that nothing else is agreed – principally via bank transfer, and after receipt of goods and the invoice, should be made in less than 30 days with a 2% cash discount, or in less than 60 days without discount. A cash discount is permissible in every case for compensation, or where the retention of a claim of damaged goods is placed.
- 4.3. The supplier is not entitled to make claims against RST without written consent or via the collection of claims via a third party.

5. Place and time of delivery

- 5.1. The agreed time of delivery is binding. Deliveries which take place before or after the agreed time are only permissible with written consent from RST.
- 5.2. In the interests of punctuality, deliveries should arrive at the entrance to the RST receiving office. The supplier must immediately notify RST if and when the delivery time cannot be complied with. The acceptance of a delayed delivery by RST does not contain any waiver of compensation claim rights.
- 5.3. Should the supplier default on the delivery of equipment, RST is entitled to charge a penalty of 0.5% of the order value of the goods per week that the default continues, not in excess of 5.0% of the order value of the goods. The penalty can be made applicable until the final payment. RST's right to make further charges remains intact.
- 5.4. RST is not obliged to accept part-deliveries. In the case that part-deliveries are agreed, a delivery note must be written, in which the goods which remain to be delivered are listed.
- 5.5. The place of delivery for the supplier's goods or services is the receiving office listed in the order. If a receiving office is not listed, or if the nature of the obligation does not make the place of delivery clear, the RST head office takes effect as the place of delivery.

6. Shipping and hazardous transit

- 6.1. All appropriate packaging and sending of deliverables, and hereby all applicable packaging and forwarding instructions must be adhered to by the supplier. The supplier is liable for all damage that arises from inappropriate or inadequate packaging.
- 6.2. Shipping documents, such as delivery notes, packing slips, certificates and verification documents must accompany the delivery. In all written documents, the order numbers and indicators shall be stated by RST. At the latest, dispatch notices must be sent to RST on the day of dispatch.
- 6.3. Extra costs, such as those arising from night time surveillance, according to the preceding regulations, will be born by the supplier.
- 6.4. Where delivery is made without assembly, the risk by receipt at the receiving office will be not be taken on by RST. Where delivery is made with assembly and concerns services, the risk is accepted by the receiver at the place of assembly.

7. Supplier's Duties and RST's Rights in the Case of Defective Items

- 7.1. The supplier absolutely guarantees the proper delivery and provision of deliverables. In particular, the supplier vouches for the quality and flawlessness, as well as the correct quantity of the deliverables as specified in the order. The supplier also ensures that the delivery items remain free from defects of title of any kind, especially from any third party.
- 7.2. The supplier vouches for any defects of deliverables for a time period of three years after the passing of risk. Where a successful delivery to plants and factories takes place, in which a planning or surveillance service exists, the limitation period exists for five years from the time of dispatch.
- 7.3. RST will send written notification of any defects to the supplier in a time period of less than two weeks, according to normal business operations.
- 7.4. Should a faulty product be discovered by the supplier after the time of initial distribution, the supplier is obliged to inform RST immediately, so that the necessary measures can be agreed upon and commence.
- 7.5. In the case that RST proves that a deficiency in deliverables took place during the safeguard period, RST can demand either the removal of the defect, or the new delivery of defect-free goods. In addition to this right, RST can also make this claim effective before the passing of risk, as long as the defect was recognised before this point. Any extra grace period is, according to regular statutory law, expendable. Repayments of credit during a credit period are, in the case of resignation, interest-bearing to the level of 8% per annum over the valid basic interest rate. All rights to other, ulterior claims are reserved.
- 7.6. Should the supplementary performance of the supplier backfire, should the supplementary performance be denied by the supplier, or is not carried out within reasonable time of RST's stated time period, RST can reduce the buying price, or resign from the contract and demand the substitution of fruitless expenditures or compensation for damages for the initial service.
- 7.7. The supplier hereby undertakes to examine, check and do everything possible to avoid any product liability. Should RST become engaged in a claim about the defectiveness of a product and such a claim is based either in part or in full on a defect of supplied goods by the supplier, RST can demand full compensatory damages as well as place terms against the third party. The supplier is obliged to reasonably insure against any such defects.
- 7.8. Provided that a third party raises any claim of infringement of industrial property rights, copyright or other rights regarding goods delivered by the supplier and any effective goods and/or services as listed in the contract with RST against RST, the supplier comprehensively exempts RST from any claim relating to a third party. Where the defence of illegal acquisitions on behalf of a third party occurs, RST will support the supplier within reason, whereby the supplier, in this relationship, takes over any costs accrued. Where the delivery of copyright-protected works occurs, RST obtains from the supplier a simple, unlimited right of use, valid for all forms of use. Provided that, in the context of the order, the use of inventions made before the start of the ordered delivery, or were filed before the order was made, or where necessary intellectual property rights were placed, RST upholds a simple, unlimited licence. The supplier guarantees that inventions, which arise in the context of the order, or upon filing of the order, or the placing of intellectual property rights, are transferred to RST.
- 7.9. Upon proof that a work was damaged during the warranty period, RST can order a supplementary performance, that is, demand the disposal of the damaged goods, or the new manufacture of them. RST can make this claim for performance at the same time as and also before the passing of risk, provided that the damage was recognized during this time period.

- 7.10. Should any supplementary performance backfire as a result of the supplier, is deemed unacceptable by RST, the supplier denies supplementary performance or the supplementary performance is not carried out within the timeframe as specified by RST, RST can dispose of the defect itself and demand from the supplier compensatory costs regarding necessary expenditure, as well as is in the form of an advance.
- 7.11. Alternatively, RST can, according to the legal premise set out in figure 7.9, lower the buying price or resign from the contract, and demand compensatory costs regarding fruitless expenditure or damages instead of services.
- 7.12. In all of the aforementioned cases, the supplier cannot make the payment regarding supplementary performance, whether pro-rata or in full, of the agreed remuneration, conditional to RST. The supplier must carry the cost of all necessary supplementary performance expenditure, in particular transport, paths, work and material costs, as well as assembly and upgrade costs.
- 8. Advice and Due Diligence**
- 8.1. Should RST have instructed the supplier as to the purpose of the delivery or service, or should the purpose of the delivery not be expressly discernible, the supplier is obliged to promptly inform RST should the services or goods of the supplier not be capable of fulfilling the expected purpose.
- 8.2. In circumstances where adherence to the agreed delivery time is endangered, RST must provide, in written form, clarity as to how to proceed.
- 8.3. The supplier must promptly inform RST of changes to the Product and/or Process definition, in terms of the composition of agreed materials or the constructive completion of services rendered in writing. Each change requires written consent from RST.
- 8.4. The supplier must make sure that all deliverables and services satisfy the Republic of Germany's environmental, accident-prevention and occupational safety regulations, that all current safety-related laws and requirements are adhered to, and must advise RST of special, non-general handling and disposal requirements according to every delivery.
- 8.5. RST reserves the right, in isolated and specific cases, to make transactions with suppliers in particular countries conditional. RST will always inform the supplier of this in writing.
- 9. Orders**
- 9.1. Full details of orders made to suppliers by RST, regarding records and objects of all forms, remain the property of RST. They may be exclusively applied to the order of deliverable goods. With regard to material services left in RST's charge, the supplier must insure against loss or deterioration of goods. The right of retention of the suppliers regarding materials from RST does not exist.
- 9.2. As long as the objects left in the charge of RST by the supplier are to be processed according to adjustments or are to be remodelled, RST takes effect as manufacturer. In the case that a compound or indivisible mixing with other objects takes place, RST acquires joint ownership of goods proportional to the value the objects had at the time the mixing took place. Following any link in this manner, where the objects of the supplier are the principal matter concerned, it is thus agreed that the supplier transfers proportional joint ownership to RST, whereby the supplier holds proportional joint ownership for RST in a complimentary manner.
- 9.3. The supplier is obliged to conduct any necessary maintenance and inspection work as required, as well as to sufficiently insure objects left in charge, and to prove this to RST.
- 10. Non-Disclosure**
- 10.1. The supplier must handle all orders from RST confidentially. The supplier is obliged to keep secret all generally unknown commercial knowledge and technical information and documents, that have become known through the business relationship, and also to keep secret the time period of the order, or the previous completion of an order, and exclusively to carry out the order according to its purpose. Eventual subcontractors are also bound according to non-disclosure.
- 10.2. The supplier may, within the context of advertising material, the declaration of company publications or goods labels; name RST, when RST has given express written consent for the supplier to do so.
- 11. Replacement and Readiness to Deliver**
- 11.1. The supplier is obliged to deliver replacement parts to RST, according to the time period of usual technical period of use, and at least ten years after the last delivery and according to reasonable conditions.
- 11.2. Should the supplier abandon the delivery or production of such parts, after the time period mentioned in 11.1 above, or during the aforementioned time period, it must give RST the opportunity to place a final order.
- 12. Access Rights at the Supplier's Premises**
- 12.1. Delegated RST employees and representatives or delegates of the official authorities shall have access to the premises at all times during normal business hours, during which work for RST is to be conducted, regardless of whether the premises concern trading of the suppliers or subcontractors, and can gain full access to order-specific documents. Access to visitors must be specifically granted by all delegated employees of RST and the representatives or delegates of the official authorities, or to those delegates specifically granted, those that work in the pursuit of progressive surveillance of the supplier and are responsible for the standing audit of the relationship.
- 12.2. The representatives of the RST contractor have access to all the supplier's premises at all times during normal working hours, at which work from RST is conducted, as long as RST has approved it and is present.
- 13. Quality and Environment management**
- 13.1. RST is, according to international standards EN 9100 and ISO 14001 a certified business. By the fulfilment and execution of a contract, RST is obliged to observe all standards and policies towards the customer. RST also requires the same from its suppliers. An environmental report is always available from RST on request.
- 13.2. The commissioned quality and environment-relevant aspects required of suppliers by RST are guaranteed and whose observation is proved by according certificates.
- 13.3. Since 1 June, 2007, the observation of the European Act (EG) 1907/2006 regarding the registration, assessment and approval of chemicals (REACH-Act) has been binding. RST requires naturally all suppliers to comply with the above-mentioned regulations and the required reporting- and registration obligations (e.g. SVHC substances, SCIP data).
- 13.4. In order to comply with the obligatory requirement for information with regard to the contractor, the supplier must produce information about the nature and amount of substances on the candidate list, which are contained in delivered products. The current candidate list is published on the European Chemicals Agency (ECHA) website.
- 13.5. Regarding products where a safety data sheets (SDB respective eSDB) is required, a current version of the safety data sheet on the basis of the REACH-Act (EG) 1907/2006 respective to the applicable EG-Guidelines (where also appropriate) 91/155/EWG or 67/548/EWG must be enclosed in every delivery, and must be in German.
- 13.6. In addition to the REACH-Act, the regulations of the Globally Harmonised System of Classification and Labelling of Chemicals (GHS) as based on the CLP-Act (EG) 1272/2008 regarding assessment, labelling and packaging of substances and mixing, must be observed by the supplier.
- 13.7. For electric and electronic equipment, as well as for necessary components and assemblies which have a purpose in terrestrial products, tools and infrastructure equipment, RST expects a delivery pursuant the assembly requirements of the EG-Guidelines 2012/19/EU (WEEE- Guidelines), the ElektroStoffV in implementation of the Guidelines 2011/65/EU (RoHSII-Guidelines) and the Ecodesign Guidelines 2009/125/EG for environmentally compatible design of energy-using products (EuP) as well as a corresponding product label.
- 13.8. For the employment of components and assemblies in air and space travel equipment, as well as floor and test equipment, exceptional rules apply. Such equipment and materials are exempt from current legal annotations and from further of the same from the ROHS-Guidelines. RST expects from its suppliers in the 13.7 aforementioned field, that those hitherto normally used materials and compounds, for example, lead in pipelines, are maintained. Changes are only acceptable when prior notice has been given from the supplier, and when quality inspection tests have been accepted by RST. In all cases, a corresponding label is compulsory for all products.
- 14. Final provisions**
- 14.1. For all legal relationships between RST and its suppliers, the law of the Republic of Germany applies, in exclusion of the provisions of the united international sale of goods law (CISG).
- 14.2. The sole jurisdiction for all disputes regarding the business relationship is Rostock.
- 14.3. Changes and additions to the contract as well as subsidiary agreements must be in written form. This also applies to a waiver of this clause.
- 14.4. Should one of the aforementioned provisions become ineffective, the application of the other provisions remains intact. At the point of the ineffective provision, an effective law which comes as close as possible to the Conditions of Purchase as a whole, as well as to the contractual agreements, particularly in a lawful and commercial regard, must be inserted. The same process should be observed if a gap in the general Conditions of Purchase appears.