



## General Terms and Conditions of Purchase

### 1. General

- (1) For all contractual relations between the supplier and the companies RISCO LTD, RISCO GROUP SA & RISCO GROUP UK Limited and/or any of their affiliates & subsidiaries, including RISCO GROUP IBERIA S.L, RISCO GROUP Inc, RISCO GROUP S.r.l, ROKONET BRASIL Ltda, RISCO GROUP SWISS SA, RISCO GROUP FRANCE SAS, RISCO GROUP POLAND SP zoo and RISCO GROUP PTE Ltd - hereinafter "RISCO" the following terms and conditions shall apply exclusively. RISCO shall not accept any terms and conditions that oppose or deviate from these Terms and Conditions of Purchase unless RISCO expressly agreed to their validity in writing. The Terms and Conditions of Purchase of RISCO shall also apply if RISCO accepts the delivery without reservation and/or pays for it despite being aware of the terms and conditions of the supplier which conflict with or deviate from the Terms and Conditions of Purchase of RISCO. RISCO shall be entitled to withdraw from the Agreement in the event the supplier disagrees with the Terms and Conditions of Purchase. In such a case all claims on the part of the supplier shall be excluded.
- (2) All agreements reached between the supplier and RISCO for the purpose of executing this Agreement shall be laid down in the Agreement in writing.
- (3) The Terms and Conditions of Purchase of RISCO shall also be applicable for all future business transactions with the supplier.

### 2. Secrecy

- (1) The supplier undertakes to keep all figures, drawings, calculations or any other documentation and information received from RISCO strictly confidential; they may only be disclosed to third parties with the express written consent of RISCO. The obligation of secrecy shall also apply after this Agreement become valid. It shall not expire until and insofar the manufacturing knowledge contained in the figures, drawings, calculations and any other documents provided is in the public domain. Accordingly, subcontractors shall be committed to secrecy.

### 3. Prices, Shipment, Packaging

- (1) The agreed prices shall be fixed prices plus legal turnover tax, and exclude additional claims of any kind. Costs for packaging and transport to the shipping address and/or point of use specified by RISCO as well as for customs clearance charges and customs duties are included in these prices unless otherwise agreed upon in writing. If prices are not specified in the purchase order they still need to be negotiated. Any additional costs for an accelerated mode of transportation to meet the deadlines shall be borne by the supplier.
- (2) Dispatch notes, letters of consignment, invoices and any correspondence shall include the order number of RISCO
- (3) RISCO shall only accept ordered volumes or quantities. Higher or lower quantities are only acceptable upon prior agreement with RISCO. Part deliveries shall not be permitted.
- (4) Shipment shall take place at the risk of the supplier. The risk of deterioration, including accidental destruction, shall thus remain with the supplier until the time of delivery to the shipping address and/or place of use requested by RISCO.
- (5) The goods have to be packed in such a way that transport damages are avoided. Packaging material may only be used to the extent as needed for obtaining this objective. Only environment-friendly packaging materials may be used. The regulations under point 9 (3) shall apply accordingly.

### 4. Terms of Delivery

- (1) The agreed delivery dates are binding and time shall be of the essence. Relevant for compliance with the delivery date or delivery period shall be the receipt of faultless goods at the place of receipt and/or place of use specified by RISCO or the timeliness of a successful acceptance
- (2) If the supplier realizes that an agreed deadline or the agreed quality cannot be maintained for whatever reasons it shall immediately inform RISCO about this fact in writing, stating the reasons for the delay and its expected duration. In the event the supplier exceeds the agreed delivery date it shall pay RISCO a lump-sum compensation in damages amounting to 1% of the goods' value of the respective order per commenced week of the missed deadline, on the whole, however, at most 10 % of the goods' value unless the supplier is not responsible for the delay and/or the supplier can prove a minor damage or lack of damage. Further claims for damages shall remain unaffected. In this case the lump-sum compensation in damages shall be credited against any further claims for damages due to the delayed performance.

- (3) If the supplier is in default with the delivery RISCO shall also be entitled to statutory claims.
- (4) Following the fruitless expiry of a reasonable grace period set by it, RISCO shall then be entitled to claim compensatory damages at its option instead of the contractual performance and/or obtain substitute performance from a third party or declare withdrawal. The right to the delivery/performance shall become void as soon as RISCO claims damages instead of the contractual performance in writing or declares withdrawal.
- (5) The unconditional acceptance of the delayed delivery or performance shall not contain a waiver of claims for replacement to which RISCO is entitled due to the delayed delivery or performance; this shall be valid until the money RISCO owes for the respective delivery or performance was completely paid.
- (6) Supplier may only invoke the absence of necessary documentation to be provided by RISCO if it sent a reminder in writing concerning the documentation and has not received it within a reasonable period of time.
- (7) In the event the goods arrive earlier than agreed RISCO shall reserve the right to refuse acceptance or return them at the expense of the supplier. If the goods are not returned after a delivery ahead of schedule they shall be stored at RISCO's warehouse at the expense and risk of the supplier until the actual agreed date of delivery. In the event of an early delivery RISCO shall reserve the right to fulfill payment not earlier than on the agreed due date.

#### **5. Force Majeure**

- (1) Force Majeure according to these provisions shall only be an external event introduced from the outside by elemental forces or by actions of third parties that is unforeseeable by human judgment and experience, cannot be prevented or rendered harmless with economically bearable means even with the utmost care that can be reasonably expected according to the circumstances, and which must not be accepted by the company because of its frequency like, for instance, war, war risks and natural disasters.
- (2) Force majeure shall exempt the contractual parties from their obligations of contractual performance for the duration of the interference and to the extent of its impact. The contractual parties undertake to make any reasonable effort to immediately provide the required information, and to duly adjust their obligations to the modified conditions. RISCO shall be fully or partially exempt from the obligation to accept the ordered delivery/performance and insofar be entitled to withdraw from the contract if the delivery/performance is no longer utilizable.

#### **6. Billing, Payments and Assignment of Claims**

- (1) Following the delivery, invoices shall be addressed to RISCO by separate mail in proper form with all related documentation and data. Invoices not submitted properly shall only be considered as submitted to RISCO from the moment of rectification.
- (2) Payments shall be made in the customary manner according to end of the month plus 95 days (current +95 days), calculated after delivery/performance and date of receipt of invoice.
- (3) In the event of faulty delivery RISCO shall be entitled to withhold payment proportionate to value until proper performance.
- (4) RISCO shall only default in payment if it receives a written reminder from supplier, which shall include determination of calendared payment dates.
- (5) With advance payments, the supplier shall provide RISCO with an adequate security at its request, e.g. an irrevocable bank guarantee.
- (6) To the extent material test certificates have been agreed these shall form an integral part of the delivery and be sent to RISCO together with the delivery.
- (7) An assignment of claims or collection by third parties shall be inadmissible.
- (8) RISCO shall be entitled to offset claims from the supplier against any one of the entities defined herein as RISCO against claims from same entity or any other entity defined herein as RISCO considering the value date of invoice.

#### **7. Provision of Materials and Parts**

RISCO shall reserve the right of ownership of all parts and components provided to the supplier. The parts and components provided by RISCO shall exclusively serve for processing and fulfilling the order. In particular, the supplier is expressly forbidden to resell them. In case of a decrease in value or loss, the supplier must provide replacement. RISCO shall reserve the right of ownership of the provided parts and components even after processing and assembly through the supplier.

#### **8. Acquisition of Ownership of RISCO**

Immediately after the delivery/transfer of the delivered goods RISCO shall become owner of these goods.

## 9. Warranty/Guarantee

- (1) Supplier shall guarantee and warrant that all deliveries/ performances comply with the state-of-the-art technology, the relevant statutory provisions and standards, regulations and directives set forth by authorities, professional associations, and trade associations. Furthermore, the supplier shall guarantee that all goods delivered by it are free of faults, comply with the requirements of RISCO and are suitable for the respective application purpose. In the event exceptions from these provisions are deemed necessary in individual cases, the supplier shall obtain the appropriate written consent of RISCO. This consent shall not limit the liability for defects of the supplier. If the supplier has reservations against the kind of execution requested by RISCO it shall immediately notify RISCO of this fact in writing.
- (2) Supplier shall assume a durability warranty by which the supplier shall guarantee that the delivered products are free of any quality defects and deficiencies in title for a period of two years starting from the date of transfer of risk to RISCO.
- (3) Supplier undertakes to use environment-friendly products and processes in its deliveries/performances as well as in supplies or additional services from third parties within the scope of its economic and technical possibilities. Supplier shall be liable for environmental compatibility of the delivered products and packaging material and for all consequential damages resulting from his failure to comply with statutory provisions on disposal. The supplier shall issue a certificate of inspection for the delivered goods if so requested by RISCO. Supplier undertakes to include the safety data sheets valid for his deliveries into the respective delivery. Supplier shall indemnify RISCO against all recourse claims by third parties in case it fails to deliver the safety data sheets to RISCO or if it delivers them late or faulty. The same shall apply to all future modifications.
- (4) RISCO shall inspect incoming goods deliveries after receipt exclusively for identity, completeness and transport damages as far as and as soon as this is customary within the proper course of business and according to type and intended use. Usually, RISCO hereby limits itself to spot checks. Notifications of defects shall be deemed timely if they are submitted within 10 days after a defect was discovered. If the supplier does not receive the notification of defect despite dispatch, the notification of defect shall be deemed timely if RISCO notifies the supplier immediately after discovering that the supplier did not receive it. The objection of belated notification of defect and unconditional acceptance should not be acceptable.
- (5) Any defects in delivery/performance notified during the warranty period, also including the failure to attain guaranteed specifications and the absence of guaranteed properties, must be remedied by the supplier without delay and free of charge upon request, including all incidental costs, at the discretion of RISCO by rectifying the defects or by exchanging the defective parts and/or delivering a replacement. Following the fruitless expiry of a reasonable period set by RISCO for remedy by means of rework or new delivery RISCO shall also be entitled to statutory claims, particularly claims for cancellation of the contract, a price reduction and/or damages.
- (6) The supplier shall bear all expenses incurred in the course of subsequent performance, especially costs of travel and transportation, labor and material
- (7) In the event of claims for subsequent performance raised by RISCO against the supplier according to subsections (5), (6) above the supplier shall reimburse RISCO for any expenses it may incur. RISCO shall be expressly entitled to claim higher damages.
- (8) If the supplier does not comply with his obligations under the liability for defects within a reasonable period set by RISCO, RISCO shall have the right to take the necessary measures itself or through a third party at the expense and risk of the supplier. In urgent cases and in agreement with the supplier, RISCO may perform the remedy by rework itself or have third parties do it. Minor damages may be remedied by RISCO itself - in complying with its duty to reduce damages – without previous consultation and without hereby restricting the obligations under the liability for defects and warranty of the supplier. RISCO may then charge the supplier with the required expenses. The same shall hold true if unusually high damages are impending.
- (9) The warranty period shall be 24 months after transfer of risk to RISCO unless explicitly agreed otherwise or the law provides longer periods. It shall begin with the transfer of the delivery item to RISCO or third parties appointed by RISCO at the place of receipt and/or use specified by RISCO. With devices, machines and systems, the warranty period shall begin with the date of acceptance specified in the written acceptance declaration of RISCO. If the acceptance is delayed without any fault attributable to the supplier, the warranty period shall be two years after the delivery item was made available for acceptance. The warranty for replacement parts shall be for 36 months from installation/start-up but shall not exceed 48 months after delivery at the latest.
- (10) For delivered parts that could not remain in operation during inspection of a defect and/or the remedy of defects, a current warranty period shall be extended by the time of the interrupted operation.

For repaired or newly delivered parts, the warranty period shall recommence on completion of rectification or, if an acceptance was agreed, on acceptance if the supplier acts in the awareness of being committed to rectify the damage.

- (11) Series defects are defects in which materials, components, part systems or systems have an error frequency that clearly lies outside the usually expected values or the values indicated by the supplier. A series defect especially exists when the number of objected material exceeds 1% of the respective delivered batches.  
In this case the supplier has to present measures for remedying the defects and implement them at its expense. This action plan must contain measures that compensate the expected behavior of other components of this series due to the similarity of the appeared errors. If there is a series defect, RISCO may demand the exchange of all devices of this series. If the product of the supplier in this connection is built into another product RISCO shall also be entitled to recall the products of the supplier. In this case the supplier has to reimburse RISCO for all costs and expenses at the first request. RISCO may assert the regulation of this point within the warranty period or if the error rate indicated by the supplier is exceeded.
- (12) Any further legal claims shall remain unaffected.

#### **10. Quality Assurance**

Supplier shall implement a quality assurance system of an adequate type and scope that complies with state-of-the-art technology.

Supplier undertakes to conclude on its account a corresponding quality assurance agreement with RISCO if the latter deems this necessary.

#### **11. Product Liability**

- (1) To the extent the supplier is responsible for a damage caused by a product it shall insofar be under the obligation to indemnify RISCO upon first demand against any claims for damages by third parties if the cause lies within his sphere of control and organization and suppliers shall be liable towards said third parties.
- (2) In this context the supplier shall also undertake to reimburse RISCO for any expenses resulting from or in connection with a recall action carried out by RISCO. As far as possible and reasonable, RISCO shall inform the supplier about the content and extent of the recall measures to be taken and give the supplier an opportunity to comment.
- (3) Supplier undertakes to maintain an insurance against product liability for a reasonable amount. If RISCO is entitled to more extensive damage claims, said rights shall remain unaffected.
- (4) In addition, the supplier shall insure itself against all risks arising from product liability, including the risk of recall, to a reasonable amount and present the insurance policy and insurance confirmation to RISCO on request for inspection.
- (5) Supplier shall label the delivery goods in such a way that they are permanently recognizable as his products unless otherwise agreed under separate agreements.
- (6) By labeling the products or, if this is not possible or inexpedient, by other appropriate measures supplier shall ensure that in the event an error appears on its products it immediately can determine which other products might as well be affected. The supplier shall inform RISCO about his identification systems or his other measures in such a way that RISCO can draw its own conclusions to the extent necessary.

#### **12. Industrial Property Rights**

- (1) The supplier shall guarantee that the rendered performance is free of any industrial property rights or copyrights, the so-called third party industrial property rights, and that to its knowledge there are no other rights that restrict or exclude a usage. The supplier shall guarantee that the delivery and usage of the delivery items will not violate any patents, licenses or other property rights of third parties.
- (2) The supplier shall indemnify RISCO and its clients against any claims by third parties concerning violations of industrial property rights upon first request and bear all costs and expenses arising to RISCO in this context.
- (3) RISCO shall be entitled to obtain the approval for the usage of the respective delivery items and performances from the party holding such rights at supplier's expense.
- (4) In the event claims are made against RISCO by third parties on the grounds that products delivered by the supplier are in breach of industrial property rights and in the event the use of the said products is hereby impaired or forbidden, in the case of a justified claim the supplier at his discretion shall either immediately modify the respective contractual performance in accordance with RISCO thereby excluding them from the area of protection so that they do not breach property rights but nevertheless correspond to the contractual provisions or obtain the authority for their use as stipulated by the contract in an unlimited way and without additional costs for RISCO.

- (5) The right of RISCO to withdraw from the Agreement, however, shall not be affected.

### **13. Liability/Further Claims of Damages**

The supplier shall be liable without limitation towards RISCO regardless of the type of violation of duties, including impossibility and tort, for each negligence and criminal intent. The supplier shall be liable towards RISCO for any claims for damages by third parties without any restrictions.

### **14. Social Responsibility**

Within its social responsibility the supplier acknowledges that in the production of products delivered to RISCO and/or in the provision of services to RISCO, human rights are protected, labor standards are observed and discrimination as well as forced labor and child labor shall not be permitted. The supplier confirms that it will neither tolerate any kind of corruption or bribe nor get involved in it in any way.

### **15. Transmission of Order/Transfer of Agreement/Change of Company**

- (1) The supplier shall not be entitled to pass on the order of relevant parts of the order to third parties without the prior written approval of RISCO. If RISCO grants an approval the supplier shall remain responsible for the fulfillment of the Agreement.
- (2) The supplier shall immediately notify RISCO by operation of law about every transfer of agreement and every change of company.

### **16. Data Protection**

RISCO shall treat personal data of the supplier in accordance with the local applicable Laws.

### **17. Place of Performance**

Unless otherwise expressly agreed the place of performance for the delivery obligation shall be the address for shipment and/or place of use requested by RISCO; for all other obligations of the parties the seat of the respective RISCO entity.

The risk of accidental destruction and accidental deterioration shall only be passed on to RISCO with the acceptance or transfer at the place of performance.

### **18. Cessation of payment, Insolvency**

If the supplier ceases to pay, a provisional insolvency administrator shall be appointed, insolvency proceedings are opened up over its assets or if there are protests of a bill or protests of a cheque against it RISCO shall be entitled to withdraw fully or partially from the Agreement without this giving way to any claims against RISCO.

If RISCO withdraws from the Agreement the performances rendered so far shall only be settled at contractual prices as they can be used by RISCO in accordance with their designated use. The damages caused to RISCO shall be considered in the settlement.

### **19. Contractual Language, Correspondence**

Contractual language shall be English. Any correspondence and all other documents shall be written in English. This shall also apply to the whole remaining documentation. If the contractual partners in addition use another language the English wording shall have priority.

### **20. Partial Invalidity**

Should parts of these General Terms and Conditions of Purchase be or become invalid the validity of the remaining provisions shall not be affected; the same shall apply to the filling of loop-holes of these General Terms and Conditions of Purchase.

### **21. Entire Agreement**

This Agreement sets out the entire and exclusive agreement between RISCO and the supplier and, as the case may be, supersedes all prior proposals, representations, agreements or understandings concerning the subject matter addressed herein. Notwithstanding the above, in the event that a specific agreement is signed between RISCO and the supplier, the terms hereof shall be complementary to the terms of such agreement and in the event of any discrepancies between the two, the terms of the specific agreement shall prevail.

### **22. Applicable Law & Jurisdiction**

- (1) This Agreement shall be governed by the laws of the country in which the RISCO purchasing entity specified in the purchase order is registered, to the exclusion of the United Nations Convention on Contracts for the International Sale of Goods.
- (2) The sole court that has jurisdiction for any legal actions related to this Agreement shall be the commercial court competent for the registered address of the RISCO purchasing entity specified in the purchase order. However RISCO, at its option, also has the possibility to summon Supplier before the commercial courts competent for the location of the registered address of Supplier.