

**General Conditions of Purchase**  
**RHODIUS Schleifwerkzeuge GmbH & Co. KG**  
**Status: January 1, 2008**

**1. Applicability/Miscellaneous**

- 1.1 The following conditions of RHODIUS Schleifwerkzeuge GmbH & Co. KG (Buyer) apply to all contracts made between Buyer and Seller regarding the delivery of goods. They also apply to any future business relationships, even if they have not been repeated again explicitly.
- 1.2 Any deviating conditions by Seller which Buyer does not accept explicitly are non-binding to Buyer, even if he does not explicitly object to them. The terms of Buyer also apply if Buyer accepts without reservation the delivery by Seller in knowledge of opposing or deviating conditions.
- 1.3 All agreements which are made between Buyer and Seller in connection with a purchase contract are listed in writing in the respective purchase contracts, these conditions, and Buyer's offers.
- 1.4 Inasmuch as these conditions of purchase require the written form, a transfer via email or fax shall also be deemed sufficient.

**2. Closing of Contract and Contract Amendments**

- 2.1 Tenders are binding and do not require payment, unless it was explicitly agreed otherwise.
- 2.2 In the event that the Seller does not accept the order within two weeks after receipt, then we are entitled to rescind.
- 2.3 Forecast delivery schedules within an order and blanket purchase order become binding, if Seller does not oppose within two working days after receipt.
- 2.4 The quality assurance guideline for suppliers (QSL) and the delivery and packaging regulations of Seller constitute part of this contract and must be observed by Seller. Any cases of non-compliance constitute non-fulfillment of contract.

**3. Delivery**

- 3.1 Deviations from closings and orders of Buyer are only admissible upon his approval.
- 3.2 Agreed deadlines and periods are binding.
- 3.3 Relevant for the adherence to delivery dates or the delivery period is the receipt of the good by Buyer. If no "free delivery" (DDU or DDP pursuant to Incoterms 2000) is agreed, Seller must make the good available on time for shipment at the time agreed with the forwarding agent.
- 3.4 Seller shall bear the risk of accidental loss until receipt of the good by us or by our local representative where the good is to be delivered per order.
- 3.5 In the event that agreed deadlines are not kept or if the Seller is in such a delay, then legal provisions shall apply.
- 3.6 In the event that Seller asserts damages for delay, Seller shall be entitled to proof that he is not responsible for the breach of duty.
- 3.7 If the Seller foresees any difficulties regarding the preparation, the pre-material supply, the adherence to the delivery date or similar circumstances, which would hinder him to deliver on time or which would reduce the agreed quality, Seller must inform Buyer immediately.
- 3.8 The unreserved acceptance of the delayed shipment or service does not constitute a waiver to any possible claims for damages as a result from the delay.
- 3.9 Partial deliveries are not permitted by principle, unless Buyer has agreed to them explicitly.
- 3.10 Relevant as to number of pieces, weights, and measurements, subject to additional proof, is the assessment during the receipt-of-goods control.

**4. Billing and Payment**

- 4.1 The price listed by Buyer during the order is binding and is understood as delivered duty paid (DDP pursuant to Incoterms 2000). The packaging costs are included in the price. The price is to be seen as including the respective valid VAT.
- 4.2 The invoice shall be sent as a single copy, indicating the invoice number or other allocation information (order and article number of Buyer) to the following address:
- RHODIUS Schleifwerkzeuge GmbH & Co. KG  
Brahtalstraße 2  
56659 Burgbrohl.
- Upon request the Seller is obligated to provide to Buyer his long-term supplier statement.
- 4.3 Provided that there are no deviating written agreements with the Seller, the payment of the invoice shall take place within 14 days by deducting a 2% discount or within 30 days without any discount, calculated as of delivery of the good and receipt of invoice. The payment shall take place subject to the inspection of the invoice.
- 4.4 Buyer shall be entitled to full statutory set-off-rights and retention rights.

**5. Force Majeure**

Force majeure, labor disputes, unforeseen work disruptions, unrests, statutory measures or other unavoidable circumstances indemnify Buyer for the duration of their existence from the obligation of timely receipt of the good; delay of receipt does not apply. During such events as well as within two weeks after their termination Buyer is entitled, regardless of his other rights, to rescind from the contract either in full or partially, provided that these events are not of minimal duration and the need of Buyer has substantially lessened due to a necessary interim purchase elsewhere.

**6. Warranty/Liability**

- 6.1 Buyer agrees to inspect the good as of delivery by Seller within an appropriate period of time with respect to quality and amount deviations. The rebuke of any disclosed deficiencies shall be deemed as sent timely by Buyer, if such is sent within five working days as of delivery of the good; and with respect to undisclosed deficiencies, if the rebuke is sent within five working days after their disclosure.
- 6.2 The legal provisions with regard to deficiencies of the good and defects of title apply, unless agreed otherwise henceforth.
- 6.3 Buyer by principle shall have the right to choose the kind of supplementary performance. Seller may only decline the form of supplementary performance if such is tied to excessive costs.
- 6.4 In case of any defects to title Seller shall indemnify Buyer from any third-party claims, unless he is not responsible for the defect of title.
- 6.5 Claims for defects come under the statute of limitations — except for cases of deceit — within 36 months, unless the object has been used for a building and has caused its defects. The statute of limitation begins upon receipt of the contract good (transfer of risk).
- 6.6 If Seller does not comply with his obligation of subsequent performance in form of a substitute delivery, then the begin of the statute of limitation for the substitute good shall begin to start again as of its delivery, unless Seller has explicitly and rightfully reserved the right to have supplied the substitute delivery out of good will for the avoidance of any disputes or in the interest of the subsequent existence of the delivery relationship.
- 6.7 In the event that the Buyer has costs due to the deficient delivery of the contract good, especially transportation-, route-, work-, and material costs or other costs for unusual control at receipt, then Seller shall bear those costs.

## **7. Liability of Seller/Insurance Protection**

- 7.1 In the event that a third party asserts claims for damages to Buyer due to the defect good, Seller shall indemnify Buyer upon first demand from all claims by third parties, including the necessary costs for defense of these claims, if Seller has placed the cause in its area of his domain and organization.
- 7.2 In the event that Buyer must perform a recall action due to the defect good, Seller is obligated to reimburse Buyer from all expenses which arise from this recall action performed by him. Buyer shall, as feasible as possible, inform Seller about the content and scope of the recall action and give him the opportunity to provide a statement. Any further legal redress by Buyer shall remain unaffected hereby.
- 7.3 Seller is obligated to close and upkeep a product-liability insurance with an appropriate coverage for the good of at least [...] EUR per personal and material damages. Any further legal redress by Buyer shall remain unaffected hereby.
- 7.4 In the event that Buyer is being redressed by a third party, because the delivery of Seller breaches a commercial copyright of the third party, then Seller is obligated to indemnify Buyer upon first demand from his claims, including all necessary expenses which arose to Buyer in connection with the use by the third party and its defense. The indemnity claim is excluded if Seller can prove that he was not at fault. Buyer is not entitled, without any written permission by Seller, to accept the claims and/or agreements with the third party regarding these claims. The statute of limitation for these indemnity claims shall be 36 months, counting as of transfer of risk.

## **8. Execution of Work**

Any persons who perform work on the plant in the fulfillment of this contract, are to adhere to the provisions of the work rules. The liability for accidents of these persons on the plant is excluded, provided that such were not caused by an intentional or gross negligence breach of duty by representatives of vicarious agents of Buyer.

## **9. Documents and Secrecy**

- 9.1 All business and technical information (including characteristics which are to be taken from handed-over objects, documents, or software, and other information or experience) are to be kept disclosed from third parties as long and insofar as they are not already accessible to the public and in the plant of Seller may only be given to those persons needed for the purpose of the delivery to Buyer and who are also obligated to secrecy; such information shall remain exclusive property of Buyer. Without any prior written approval such information may not be duplicated or used commercially, except for delivery to Buyer. Upon Buyer's demand all objects derived from such (if need be including any copies or recordings made) and handed-over temporarily shall be returned or destroyed immediately and completely.

Buyer reserves the rights to such information (including copyrights and the right for registration of commercial protective rights such as patents, samples, etc.). Inasmuch as they have been made accessible to Buyer by a third party, this legal reservation shall apply also to in favor of this third party.

- 9.2 Products which were manufactured pursuant to Buyer's compiled documents such as drawings, models et alia or according to confidential information of Buyer or with tools of Buyer or according to tools manufactured by Buyer, may not be used by Seller nor offered to any third party. This also applies correspondingly to printing orders by Buyer.

## **10. Place of Fulfillment**

Unless not indicated otherwise on the order, the company headquarters of Buyer shall be the place of fulfillment.

## **11. Venue**

Venue for all legal disputes which result directly or indirectly from the contractual relationship, on which these purchase conditions are based, shall be Andernach, inasmuch as legally permissible.

## **12. Applicable Law**

The relationships between the contract parties are exclusively subject to the valid laws of the Federal Republic of Germany. The UN-Purchase Law (CISG) does not apply.