

1. Exclusive applicability

1.1 These General Terms and Conditions of Purchase apply to all purchases by R&M unless R&M expressly agrees otherwise in writing.

1.2 **General Terms and Conditions of Supply of suppliers only apply to R&M purchases if R&M has accepted them in writing.**

2. Enquiries - offers

Offers made following an enquiry are free of charge for R&M. The supplier shall be bound by its offer up until its express revocation.

3. Format of purchase orders

3.1 Purchase orders placed by R&M (including addenda, sketches, drawings, comments, specifications, etc.) are only binding on R&M if placed in writing and signed with legal validity by R&M.

3.2 The contract is deemed to have been concluded upon placing of a purchase order by R&M and at the terms and conditions stated therein, unless the supplier rejects the purchase order in writing within three days of receipt.

4. Subcontracting and liability for sub-suppliers

4.1 The engagement of sub-suppliers is subject to the prior written approval of R&M.

4.2 Regardless of fault, the supplier shall carry unlimited liability for sub-suppliers as for itself, even if R&M has approved the sub-suppliers.

5. Prices and payment terms

5.1 Unless otherwise agreed in writing, all prices are deemed DELIVERED DUTY PAID (specified place of destination) (DDP, Incoterms 2010). The place of destination is Reichle & De-Massari AG, CH-8622 Wetzikon.

5.2 R&M shall be charged the actual and proven time and expenditure for orders without fixed price specification.

5.3 Payment shall be made within 30 days with 2% cash discount or 90 days net upon receipt of the complete, contract-compliant shipment and invoice.

5.4 R&M reserves the right to offset counterclaims.

5.5 In case of advance payments the supplier shall provide an appropriate bank or insurance guarantee.

6. Provision of materials

Material provided by R&M for the purposes of implementation of a purchase order shall remain the property of R&M even after handling or processing. It must be labelled and stored separately up to handing or processing. Processing waste must be returned to R&M upon request.

7. Delivery amount, delivery term, delay

7.1 Subject to an agreement to the contrary, deliveries shall be DDP named place of destination (Incoterms 2010).

7.2 The dates specified in the purchase order are deadlines, and refer to the arrival at the destination.

7.3 Early and part deliveries must be approved in writing by R&M.

7.4 Where a delivery date cannot be kept, the supplier must immediately inform R&M of this fact, stating the reasons and expected duration of the delay.

7.5 In case of delayed or incomplete delivery, R&M is entitled, at its own choice and at any chosen time, to retain the delivery or waive subsequent delivery and withdraw from contract.

7.6 The supplier may only claim failure to supply necessary documentation or supplemental objects and/or individual parts on the part of R&M if these were requested in good time and a reminder was sent in writing.

8. Packaging, documents

8.1 Packaging must be secure and suitable for preventing damage in transit, in storage or upon unpacking. Special labelling and packaging instructions in the purchase order and the International Supply Terms and Conditions of R&M, available at www.rdm.com, must be observed. Any packaging material provided by R&M may only be used for deliveries to R&M.

8.2 Each dispatch must include a detailed delivery note (shipping advice) containing the R&M references. R&M packaging must be equipped with routing slips.

8.3 All correspondence must state the R&M purchase order number, order date and quantity; dispatch documents must in addition state gross and net weight.

9. Quality

9.1 The supplier shall produce and supply all products in accordance with the specifications and norms stated in the purchase order and under observance of all laws and directives applicable at the production site and at the destination (e.g. the RoHS Directive), particularly concerning environmental protection, occupational safety, human rights and prohibition of child labour.

9.2 The Supplier shall check incoming purchase orders and inform R&M in writing without delay if the requested specifications violate laws and guidelines.

9.3 The Supplier shall use a quality assurance system that is documented in writing and suitable measuring equipment to ensure traceability of the products and conformity of the products with the quality standards at all times.

9.4 R&M is entitled to carry out quality audits. The representatives of R&M shall be granted access

to the premises, facilities, equipment, personnel and information of the supplier which are linked to the production of the products if this is necessary or expedient for this purpose.

9.5 The terms of any agreed quality assurance agreement (QAA) shall apply in the first instance.

10. Warranty/guarantee

10.1 The supplier guarantees that the supplied object displays the promised features, complies with the specified performance requirements and specifications and state-of-the-art technology at the point of delivery, is suitable for its intended purpose and meets the quality standards pursuant to the above terms.

10.2 The supplier guarantees that the products are free of material defects and defects of title and that they do not violate any third-party intellectual property rights or other claims.

10.3 The supplier shall provide adequate quality control before delivery and discharges R&M from its duty of inspection at receipt of goods.

10.4 Any notification of defects within the warranty/guarantee period is deemed made in time.

10.5 In case of supply of products not compliant with the contract the supplier shall, at the choice of R&M, immediately remedy the defects, or have them remedied, on site at his own cost or supply R&M with a replacement free from defects free of charge. Other than in cases of very minor defects, R&M shall in all cases have the right to rescind the contract of purchase.

10.6 If the supplier is in default with regard to the rectification of defects or the case is urgent, R&M may remedy the defects itself, or have them remedied, at the cost and risk of the supplier.

10.7 Should R&M become subject to legal claims by third parties due to products of the supplier not compliant with the contract, e.g. on the basis of tangible or intellectual third-party property or product liability, the supplier shall indemnify and hold harmless R&M from and against all claims at first demand. R&M shall inform the supplier of such asserted claims without delay and in writing.

10.8 Materials which show defects during processing or use shall be replaced immediately by the supplier free of charge, regardless of the time passed since their delivery.

10.9 For all deliveries not subject to Section 10.8, the warranty/guarantee period shall be five years from the date of receipt of the delivery by R&M.

10.10 The same extent of guarantee shall be provided for replacement deliveries and repairs as for the delivery object itself, with the term of the guarantee for repaired or replaced parts recommencing upon their renewed delivery.

10.11 R&M reserves the right to assert any further legal claims.

11. Custom-made items

For custom-made items, the supplier shall provide R&M with working drawings for approval prior to the start of production. The specifications on drawings are binding; sample parts merely serve the purposes of exemplification. Approval by R&M does not discharge the supplier from his product responsibility, in particular for development, construction and production.

12. Special hazards

12.1 The supplier shall duly draw attention to any special hazards associated with the delivered product or hazards that could endanger said product. In addition, the supplier shall inform R&M in writing of any operating conditions which must be observed.

12.2 Exercise of the warning and notification duty pursuant to Section 12.1 shall not affect the supplier's guarantee and associated liability.

13. Liability

The supplier shall be liable to R&M for all direct and indirect, immediate or consequential damage and all costs, and shall indemnify and hold harmless R&M from and against all third-party claims and lawsuits that R&M may incur or be faced with due to a contractual breach of the supplier, especially due to late or non-compliant delivery and breach of warranty obligations. This shall be irrespective of fault on the part of the supplier. This liability includes, but is not limited to, the costs of product recall and replacement campaigns, the costs of installation and removal of defective products in customer systems, and the transport costs from and to the customers for customer devices or systems containing non-compliant products that need to be rectified or replaced.

14. Statute of limitations

R&M's claims from the contract of purchase, in particular from the warranty and guarantee, and all claims for damages of R&M shall be barred by the statute of limitations six years from receipt of the delivery by R&M.

15. Drawings, test certificates and operating instructions

The drawings, tools, models, etc. provided to the supplier by R&M shall remain the property of R&M and must be returned to R&M on first demand. They must be stored in an appropriate manner and insured against all damage.

16. Confidentiality and intangible property rights

- 16.1 Confidential information, drawings, materials, tools, etc., provided by R&M to the supplier or obtained by the supplier in any other way must be kept secret and may only be used for the purposes of processing the purchase orders of R&M, according to R&M's instructions, and may not be used for any other purposes, duplicated or made available to third parties. All intellectual property rights associated with the R&M products – regardless of whether these are registered or not – and the rights to the expertise and know-how, especially to the expertise and know-how that R&M makes available to the supplier or that the supplier creates for R&M, belong to R&M alone. Upon request, the supplier must promptly provide R&M with all documentation (including definitive implementation plans for custom-made items, maintenance and operating instructions and lists of replacement parts) with all existing copies or duplicates. Should delivery not take place the supplier shall return the documentation to R&M without the need for request.
- 16.2 The supplier shall treat the purchase order and associated works or deliveries with secrecy.
- 16.3 The supplier shall ensure compliance with all duties laid down in these terms and conditions by any sub-suppliers engaged.

17. Place of performance, applicable law and place of jurisdiction

- 17.1 Place of performance for the delivery is the place of destination. Place of performance for the payment is the company seat of R&M.
- 17.2 Subsidiary to the contract of purchase, including these General Terms and Conditions of Purchase, Swiss law shall apply to the exclusion of UN law on the sale of goods.
- 17.3 Exclusive place of jurisdiction is **Wetzikon/Switzerland**. However, R&M shall be entitled to bring legal action at the supplier's seat or at any other competent court.