

General Terms and Conditions of Purchase

valid from January 1st, 2019

1. General

- 1.1. R&S Group (hereinafter "R&S") are deemed as all legal subsidiary companies and joint ventures that belong to the international business group of R&S (hereinafter "R&S Company" or "Purchaser").
- 1.2. R&S Company sends written orders for goods and services to the Supplier (hereafter "Supplier"). Verbal agreements require the written confirmation of the responsible Purchaser.
- 1.3. These General Terms and Conditions of Purchase apply to all orders of goods and services issued by Purchaser.
- 1.4. Deviating terms and conditions of the Supplier only apply if they are expressly acknowledged in writing by Purchaser. The silence of R&S Company shall not be deemed as acceptance of deviating conditions, even after receipt thereof.

2. Price, Invoicing and Payment

- 2.1. The contractually agreed prices are binding and, unless otherwise agreed in writing (under pain of invalidity), include all costs for development, production, testing, storage, packaging, insurance, calibration and certification as well as any other costs and expenses relating to delivery of the products or services to the Purchaser, such as taxes, duties, fees, travel costs and expenses of Supplier's employees such as accommodation, wages, salaries, allowances and other amounts.
- 2.2. Invoices are to be sent separately and in writing to Purchaser (PDF / e-documents are also permitted) and must include the following: date, order number, order items, quantity and item price. Suppliers must comply with applicable tax law, in particular VAT. Invoices for partial deliveries are to be marked as such.
- 2.3. Unless otherwise agreed in the purchase order, payments will be made by R&S Company within 60 days of full performance of the order.
- 2.4. In case of errors, inaccuracies or missing elements in the Supplier's invoice, as required by these

General Terms and Conditions of Purchase, order or provisions of law, as well as in the case of a missing takeover/acceptance protocol if needed of the Purchaser, the payment date shall be counted from the day the invoice has been properly issued and delivered to Purchaser. In such case, Supplier is not entitled to claim any compensation or interests for delayed payment.

- 2.5. The assignment of claims of the Supplier to third parties is only possible upon prior written consent of the Purchaser, under pain of invalidity.

3. Delivery and Delay

- 3.1. The place of performance for all deliveries and services is the registered office of the relevant R&S Company, if otherwise provided in the order.
- 3.2. All deliveries and services must be accompanied by a delivery note in physical and written form. This delivery note must contain at least the order number, quantity and description of the goods / services.
- 3.3. If specified in the order, the required documents / drawings must also be enclosed. These must also be sent separately by e-mail to R&S Company.
- 3.4. R&S Company reports open defects within two weeks of delivery and hidden defects within two weeks of its occurrence.
- 3.5. If R&S Company has provided design documents or other documents to the Supplier, respective documents must be immediately reviewed, and potential conflicts or identifiable defects flagged.
- 3.6. If the Supplier is unable or unwilling to execute the order in accordance with the design documents or other documents provided, R&S Company is entitled to withdraw from the order.
- 3.7. Unless otherwise agreed in the order, the ordered goods shall be delivered to the named destination in accordance with DAP (Incoterms 2010).
- 3.8. Delivery delays must be reported to R&S Company at the earliest moment. In case of a delay, R&S Company, at his own discretion, may:

- 3.8.1. charge the Supplier for all additional costs incurred by R&S Company for a replacement order from another Supplier;
- 3.8.2. impose on the Supplier a penalty in case of the delay amounting to 0.2% of the total value of the delayed goods or services for every calendar day that the Supplier exceeds the agreed delivery time;
- 3.8.3. refuse any subsequent delivery of goods or services;
- 3.8.4. terminate the order in whole or in part, if none of 3.8.1. to 3.8.3. have been effective.
- 3.9. Until complete delivery of the goods and services or until fulfilment by the Supplier at the place of performance, the Supplier bears the risk of loss, accidental loss or accidental damage.
- 3.10. Whenever the goods or services are delivered to or performed at the site of an R&S Company, the Supplier is obliged to follow all rules and directives, in particular regarding Health, Safety and Environment (HSE). Supplier's entry stays and departure from the Purchaser's premises must be registered. In case of any breach of such rules, R&S Company will reserve the right to claim a penalty to cover the direct and/or indirect loss and damage occurred.

4. Quality and Liability

- 4.1. The Supplier guarantees that the ordered goods:
 - 4.1.1. will be delivered new and unused in the required quantity and quality according to the given specifications (e.g. drawings, guaranteed values) and for the intended purpose;
 - 4.1.2. will comply with the requirements of CE marking and the EU declaration of conformity, as well as with the requirements provided by the law applicable in the country where the goods and services are delivered.
- 4.2. The Supplier guarantees a faultless delivery of the goods and services; if defective parts are delivered, they must be repaired or replaced immediately with faultless parts. In such a case Purchaser will set a deadline to remove the defect.
- 4.3. R&S Company notify the Supplier immediately if a defect of a product is discovered later which is attributable to the Supplier.

- 4.4. R&S Company is entitled to charge the Supplier for the damage incurred and to request a replacement free of charge.
- 4.5. If the product or service defect causes an accident involving personal injury and / or material damage, the Supplier must immediately (within the deadline set by Purchaser) take the necessary actions. In particular, he must ensure that R&S Company receives any support in processing the incident.
- 4.6. The Supplier shall reimburse R&S Company for any costs that may cause any legitimate claims, or any recall action related to the defect.

5. Insurances

- 5.1. The Supplier will be obliged to present an adequate General Third Party and Product Liability insurance which covers at least EUR 2 million per event and in the aggregate EUR 10 million without prejudice to the Supplier's liability for the full damage.
- 5.2. Upon request from R&S, the Supplier provides an insurance certificate, outlining the insured companies, type of insurance, contract expiry, territorial scope, limit of indemnity and main sublimit.
- 5.3. If the insurance certificate is not presented by the Supplier within the deadline set by Purchaser, R&S Company may reserve the right to conclude the adequate insurance policy at the cost and risk of the Supplier.

6. Warranty and Remedies

- 6.1. In particular, the Supplier guarantees that only the materials specified in the order or otherwise agreed upon will be used. Deviations are only permitted with the prior written consent of R&S.
- 6.2. Certificates & documents listed in the order, which are required for the use of the consignment for the purpose for which they were intended or whose necessity results from the purpose of the delivery, must be provided.
- 6.3. The goods, services or structures supplied or manufactured comply with the statutory provisions, the recognized rules of technology, the recognized safety regulations and other relevant accident prevention regulations, health and safety regulations or environmental regulations, including the Ordinance on Hazardous Substances, binding on

the territory of the country of delivery or of the country where Purchaser's factory is located.

- 6.4. The Supplier is obliged to remove defects of the goods or services within the term and in a way set by R&S Company.
- 6.5. Within 24 hours from the date of being notified about the defect, the Supplier will inform the Purchaser about all necessary investigations to assess the root causes and reasons for the defect and initiations of effective corrective actions to remove the defects.
- 6.6. The Supplier will agree with the Purchaser on realistic and reliable dates to remove the defects and provide a detailed investigation report.
- 6.7. Delays in removing defects must be reported to R&S Company at the earliest moment and will be treated according to Section 3.8
- 6.8. Regardless of the rights or measurements arising from the guarantee, the Purchaser may also use any rights arising from warranty for defects and other rights under existing law.
- 6.9. The term of guarantee and warranty shall not be shorter than 12 months from the date of delivery, if not otherwise provided in the order.

7. Compliance and Integrity

- 7.1. The Supplier undertakes to fulfil its contractual obligations in accordance with the R&S Supplier Code of Conduct, which is an integral part of these General Terms and Conditions of Purchase.
- 7.2. In particular the Supplier will assure that:
 - 7.2.1. He will enforce integrity in business dealings by acting in honesty, reliability and fairness;
 - 7.2.2. He will not engage actively or passively, nor directly or indirectly in any form of bribery or money laundering;
 - 7.2.3. He will avoid any kind of violation of antitrust and competition law;
 - 7.2.4. He will ensure full social responsibility and compliance with human rights;
 - 7.2.5. He will avoid discrimination and harassment;
 - 7.2.6. He will take responsibility for the health and safety of its employees;
 - 7.2.7. He will act in accordance with the applicable environmental laws.
- 7.3. Payments due to the Supplier are not due if it has been proven that the provisions of Section 7.2 above have been breached. In the event of an

alleged breach, the payment will only become due if R&S Company concludes that there is no violation of the provisions of Section 7.2 above.

- 7.4. R&S Company has the right to terminate the order with immediate effect, subject to its contractual and statutory rights, in writing if the Supplier does not comply with the provisions of Section 7.2 above.
- 7.5. If the Supplier has demonstrably or allegedly violated the provisions in Section 7.2 above, he shall be liable to R&S Company for all resulting obligations, costs, damages or losses (including direct, indirect or consequential costs, lost profits, reputational damage, interest, penalties) legal advice or other consulting fees.) Unless otherwise provided in the order, this liability is unlimited.
- 7.6. The Supplier must inform R&S Company as soon as he has knowledge of a current or potential case of a violation of the provisions in Section 7.2 above.

8. Confidentiality, Data security & protection/ Intellectual Property Rights

- 8.1. The parties are mutually obliged to keep secret all business transactions and other matters of the parties and their affiliates or related parties in connection with the execution of the order (in particular any information of the business, economic, financial, technical, technological, organizational, legal nature, regardless of being marked as confidential, or not and regardless of the form that they were disclosed) and not to use them for any other purpose than originally intended, unless mandatory legal requirements are to be observed. In addition, they must comply with the legal provisions on data protection and data security. The secrecy obligation and the data protection also apply after termination of or withdrawal from the order.
- 8.2. The Supplier is obliged to comply with the latest provisions of the General Data Protection Regulations (GDPR).
- 8.3. All documents that the Supplier receives from R&S Company for carrying out its activities must be treated with care and kept secret.
- 8.4. The Supplier undertakes not to make any public statements in connection with the order. The restriction also applies to information, brochures and other advertising material, unless R&S

Company has previously agreed in writing (under pain of invalidity). This also applies after termination of or withdrawal from the order.

- 8.5. In case of any breach of the confidential obligations set forth in this Section, the Purchaser will reserve the right to claim a penalty to cover the direct and/or indirect loss and damage occurred. The above provisions shall survive the expiration, termination or withdrawal from the order.

9. Termination

- 9.1. R&S Company is entitled to immediately terminate the order in part or in full without further notice of default by means of a written statement, without being under any obligation to pay damages to the Supplier, in the event:
- 9.1.1. of the Supplier's suspension of payment or bankruptcy or when any similar insolvency proceeding has been started;
 - 9.1.2. that the Supplier is put under legal restraint;
 - 9.1.3. of sale or termination of the Supplier's business.
- 9.2. In case of full or partial termination of the order all claims of R&S Company against the Supplier are immediately due and payable.
- 9.3. If R&S Company has a reasonable suspicion that the Supplier cannot, or not in time, or not in full meet his obligations under the order, the latter is obliged to provide additional security of fulfillment.
- 9.4. In the event of Suppliers' breach of the ordered terms, R&S Company is entitled to terminate the order in whole or in part, at its own discretion, in accordance with clause 3.8.4. & 6.4.

10. Force Majeure

- 10.1. Neither party shall be liable for any delay or non-performance of its contractual obligations where the delay or non-compliance is due to force majeure. Force Majeure means an event that was unpredictable by the party concerned at the time of the order conclusion, is unavoidable and is not subject to reasonable control by the party concerned, provided that it cannot, despite all reasonable efforts, overcome that event and provide notice to the other party within five (5) calendar days of the occurrence of the Force Majeure event.

- 10.2. If an event of Force Majeure exceeds thirty (30) calendar days, either party may terminate the order immediately without written notice. Each party shall use reasonable efforts to minimize the impact of the Force Majeure event.

11. Assignment and Subcontracting

- 11.1. The assignment or transfer of the order or its parts (including any claims against R&S Company) is not permitted without the prior written consent of R&S Company (under pain of invalidity).
- 11.2. The Supplier bears full responsibility for the actions and omissions of such a third-party Supplier as for his own actions and omissions in case the R&S Company has given written consent of the assignment.

12. Import and Foreign Trade Regulations, Customs

- 12.1. The Supplier ensures that he complies with all applicable international export, customs and foreign trade regulations for all delivered products and services to R&S Company.
- 12.2. The Supplier is obliged to inform R&S Company immediately in writing if the product is subject to the U.S. Export Administration Regulations and shall clearly show the Export Control Classification Number (ECCN) as well as the applicable statistical product number (HS Code) and the country of origin in the documentation.

13. Jurisdiction

- 13.1. The applicable law is the law of the Country where R&S has its registered place of office, excluding its rules on conflicts of legal systems (especially CPIL).
- 13.2. The Vienna Law on the international Sales is waived explicitly.
- 13.3. The parties are obliged to seek an amicable settlement of the dispute arising from the order. If the parties do not manage to resolve the dispute amicably within 60 days from the date that the claim was submitted to the other party, the dispute shall be resolved by a court of law with jurisdiction over the registered office of R&S Company.