

General Terms and Conditions of Purchasing

In our capacity as customer, we purchase and enter into contracts for work and services solely pursuant to the following General Terms and Conditions of Purchase. They apply only to entrepreneurs, legal entities under public law, and special funds under public law. We hereby reject any counter-confirmations, counter-offers or other references of the supplier/contractor by invoking its own terms and conditions; any conflicting terms and conditions of the supplier/contractor shall not apply unless they have been expressly confirmed by us. If the supplier/contractor should not agree with this stipulation, it must expressly notify us to this effect. In this case, we reserve the right to withdraw our order, it being understood that the supplier/contractor shall not have any remedies against us as a result. Our General Terms and Conditions of Purchase shall also apply to any future purchase contracts and contracts for work and services entered into by us in our capacity as purchaser/customer even in the event that we do not expressly reference them. Where the requirement of the written form is provided for in these terms and conditions, it shall also be deemed to be satisfied where transmission takes place by means of telecommunications (e-mail, telefax).

I. Offers

1. All offers shall be made in writing and be free of charge. Preparatory costs (e.g. travel expenses, drafting of plans) shall be assumed by the supplier/contractor.
2. Offers shall include the details required by us for processing purposes, i.e. our inquiry (RFQ) or order number, our stock number as well as the name of the employee handling the matter.

II. Orders

Our orders will be made in writing. All agreements with us must be set out in writing.

III. Confirmation of order

1. Unless agreed otherwise, all orders shall be confirmed by the supplier/contractor without undue delay, stating the name of the employee handling the matter, the stock number and the order number.
2. If we do not receive a confirmation of order without undue delay, we shall be entitled to withdraw from the contract, in which case no remedies whatsoever shall be available against us, irrespective of the legal grounds on which they may be founded.

IV. Prices

1. The prices stated in our order are binding and include packaging, material certificates conforming to prevailing standards, certificates of origin and any other approvals such as CE or UKCA labels as well as carriage paid to the delivery address, customs cleared.
2. Unless indicated otherwise, prices shall include VAT.
3. We reserve the right to return packaging material at the supplier's/contractor's expense.
4. Invoices shall include the delivery address, the name of the employee handling the matter, the order number, our stock number, the quantity supplied, the price as well as any other details required by us for processing purposes. The respective amount invoiced shall not be payable as long as these requirements are not met.

V. Delivery, manufacturer's obligations

1. The delivery date and quantity stated in our order are binding.
2. The supplier/contractor undertakes to inform us in writing without undue delay as soon as it realizes that it is unable to comply with the delivery date for all or part of the order. Where no new delivery date is agreed upon as a result, we shall be entitled to withdraw from the contract, in which case no remedies shall be available to the supplier/contractor against us. This shall also apply where the delay is due to directives issued by government authorities, strikes and/or force majeure.
3. Where the supplier/contractor is in arrears in fulfilling their contractual obligations, including, but not limited to, defect-free

delivery, we shall be entitled to claim damages at a lump-sum of 2% of the delivery value per week, up to a maximum of 10%. The supplier/contractor shall be entitled to prove that the actual loss sustained by us is substantially lower or that we have not sustained any loss at all. We reserve the right to recover further damages or to withdraw from the contract as provided for by law.

4. As to products to which the German Electrical and Electronic Equipment Act (ElektroG) is applicable, the supplier/contractor is considered to be the manufacturer and shall assume the obligations associated with the return of goods, especially registration. We may pass on the registration number through to the end customer.

VI. Dispatch, Logistics Manual

1. The supplier/contractor undertakes to state the place of delivery, order date, order number, the stock number and name of the employee handling the matter in a readily visible manner on the shipping papers (delivery notes, consignment notes, packages, adhesive labels etc.).
2. The risk of loss or damage shall not pass to us until the goods reach their destination. This shall also apply when the goods are shipped.
3. Our Logistics Manual shall constitute an integral part of the contract (available on our website at: www.hydac.com→Service→Container Management).

VII. Warranty/liability for material defects

1. The supplier/contractor warrants that the goods and services supplied are free of all defects and comply with applicable statutory and government requirements as may apply in a specific case.
2. This warranty shall apply for a period of two years starting on the date on which risk passes to us, unless the warranty period provided for by statute is longer.
3. Save for obvious defects, we shall be deemed to have complied with our statutory obligation to examine the goods without undue delay and report any defects. The supplier/contractor undertakes to subject the goods to careful quality assurance prior to dispatch. Any claims for defects lodged by us shall be deemed to have been lodged in good time if they are received within two weeks of receipt of the goods or, in the case of hidden defects, upon their detection. The limitation period for filing warranty claims shall be suspended upon receipt of our notification of defects by the supplier/contractor unless and until the supplier/contractor rejects our claims, declares the defect to have been remedied, or otherwise refuses to continue negotiations concerning our claims.
4. To remedy the defect, we may demand that the supplier/contractor repairs the faulty goods or, at our discretion, provide us with defect-free replacements. The supplier/contractor shall assume all expenses associated with remedying the defects or providing replacements. This shall be without prejudice to our statutory rights and remedies in the event of defects. If the behaviour of the supplier/contractor indicates to us that it considered itself to be obligated to remedy the defect, the warranty period shall commence anew upon remedying the defect.
5. The place of performance for remedying defects shall always be the geographical location of the item.
6. In particularly urgent cases or when the supplier/contractor is in arrears with their warranty obligations, we shall be entitled to remedy the defects ourselves or have them remedied. A particularly urgent situation shall be deemed to be present in particular if a production interruption or shutdown, inability to provide products or services, non-timely commissioning, or imposition of a contractual penalty is imminent and we cannot be reasonably expected to notify the supplier/contractor of the defect and establish a date for having the defect remedied by it. The cost of any warranty work arranged by us shall be assumed by the supplier/contractor.

VIII. Liability

1. Liability on the part of the supplier/contractor is based on applicable statutory provisions. In the event any liability claims are lodged against us, the supplier/contractor shall hold us harmless against such claims including any cost of factory recalls insofar as these claims are due to circumstances having their origin in the supplier's/contractor's sphere of responsibility or organization and for which the supplier/contractor would be liable in direct dealings.

2. In view of this, the supplier/contractor undertakes to maintain liability insurance cover providing for an adequate sum insured. This shall be without prejudice to any further entitlement on our part to recover further damages.

IX. Protection of title, confidentiality

1. All documents and materials (e.g. drawings, diagrams, calculations, samples, models, data media, computer records and software) provided by us to the supplier/contractor shall remain our property. These documents and materials are to be treated as strictly confidential and may not be made accessible to any third parties except with our prior written approval. They shall be returned to us on first request, at the latest, however, as soon as they are no longer required, this to be done without being requested to this effect. These documents and materials may only be used for business dealings with us.
2. The supplier/contractor may not use our name or trademarks. Information which the supplier/contractor receives from us in going about executing our orders, including, but not limited to, information relating to research and development work or our business activities, shall be kept confidential while the order is being executed as well as thereafter.
3. Any parts provided by us shall remain our property and shall be processed on our behalf. Where such parts are combined with third-party items, we shall acquire co-ownership rights in the resultant products proportionate to the value of our property in the third-party item.

X. Tools, dies, moulds, jigs and fixtures

Any tools, dies, moulds, jigs or fixtures paid by us, whether in whole or in part, shall become our property/co-property and shall be deemed to be on loan only to the supplier/contractor. They may be used exclusively to perform work for the completion of our orders.

XI. Payment

1. Invoices shall be sent to us without undue delay upon delivery and include the details set out in section IV above. They may not be enclosed with the delivery.
2. We shall be entitled at our discretion to effect payment as follows:
 - cash discount of 3% for payment within 14 days of receipt of the goods and invoice,
 - net within 30 days of receipt of the goods and invoice.
3. Payment shall not be deemed to constitute unconditional approval or contractual acceptance of the goods.
4. Although we do not reject premature deliveries, we shall be entitled to postpone payment of invoices until the agreed delivery date. In this case, the cash discount periods and the warranty periods shall commence as of the agreed delivery date. We reserve the right to retain at least 10% of the entire invoice amount pending delivery in full.

XII. Assignment of claims

Claims against us by the supplier/contractor may not be assigned to any third parties without our prior, written consent.

XIII. Suspension of fulfilment

Unless otherwise agreed, we shall be entitled to have work suspended on purchase orders placed by us for a period of three months where this is in our specific interest. A specific interest in having fulfilment suspended shall be deemed to be present where we do not require the item to be supplied for a specific contract/purpose until a later point in time than originally envisaged for reasons not attributable to us. We will assume the costs incurred for the work and materials employed up until fulfilment is suspended, provided that the supplier/contractor presents evidence of these costs. These costs will be deducted from the agreed total amount of the respective contract. Upon payment of these costs, ownership of the products manufactured or procured by the supplier/contractor under contract shall be transferred to us and shall be stored by the supplier/contractor on our behalf. Storage costs incurred by the supplier/contractor during this time will be assumed by us. We shall not be held liable for any other related costs that may be

incurred by the supplier/contractor. Delivery dates shall be extended by the total length of any such suspension periods.

XIV. Cancellation

Notwithstanding the cases provided for by law, we shall be entitled to cancel work on orders placed by us where we are no longer able to use the item to be supplied for the proposed contract/purpose or are unable to resell same for reasons not attributable to us. In this event, the supplier/contractor shall be entitled to request proportional payment for the products and services provided by it up until this time, provided that the supplier/contractor presents documentary evidence of the costs incurred by it and submits an invoice for same. Upon payment of these costs, ownership of the products manufactured or procured by the supplier/contractor prior to the cancellation date shall pass to us, and the supplier/contractor shall deliver said products to the destination stated on our purchase order.

XV. Engaging the services of third parties

Unless the circumstances of an individual case should dictate otherwise, we shall be entitled to commission third parties to render the products and services incumbent upon us under the contract.

XVI. Place of performance, place of jurisdiction, applicable law, business code, miscellaneous provisions

1. The place of performance shall be the registered office of our company. This shall also be the place of jurisdiction for all disputes arising from the business relations with the supplier/contractor where the supplier/contractor is a merchant as defined by the German Commercial Code. However, we shall be entitled to bring action before the competent courts at the supplier's/contractor's domicile.
2. All legal relations between the supplier/contractor and us shall be governed by and construed exclusively in accordance with the laws of the Federal Republic of Germany to the exclusion of the United Nations Convention on Contracts for the International Sale of Goods (CISG).
3. The supplier/contractor agrees to be bound by the principles of our business code (available on our website at: www.rtfilter.de→Business code).
4. If any of the above provisions should prove void or unenforceable, it shall not affect the validity or enforceability of any other provision hereof.