

Rail Safety Systems BV General Purchasing Conditions

Article 1 Definitions

IPR	Intellectual Property Rights: All rights on the industrial design, patents or know-how, related to the Products.
Products	Any product, tooling or services, that are clearly specified on the Purchase Order.
Purchase Order (PO)	A document with a description of the Products that will be ordered. The document can be in paper or electronic form.
Rail Safety Systems BV	The Dutch based company; an entity of the RSS Holding BV Group, based in Venlo, the Netherlands.
RFQ/RFI	Request for a Quotation/Request for Information
RSS	Rail Safety Systems BV
Supplier	The Party to this General Purchasing Conditions that supplies or intends to supply Products to RSS.

Article 2 General Conditions

The General Purchasing Conditions are applicable to all PO's, Quotations and RFQ's/RFI's from Rail Safety Systems, hereafter called "RSS", for the Supply of Products by the Supplier.

The General Purchasing Conditions are also applicable if no other terms and conditions have been explicitly agreed upon in an individual purchasing agreement.

The Supplier's General Terms and Conditions are hereby excluded.

Article 3 Subcontracting

The Supplier may not transfer or outsource the manufacturing of the Products, in whole or in part, to subcontractors without written approval by RSS. In the event of a transfer the Supplier shall assure that the Subcontractor will pay all its tax liabilities such as Wage Tax, Social Security fees and VAT or any other taxes, if applicable.

Neither may the Supplier transfer its rights or obligations to another party without written approval of RSS.

Article 4 Prices and Payments

The prices are confirmed in the Purchase Order and shall apply until the Parties agree on a new price in writing. The prices are fixed and are inclusive of all fees and local taxes.

All invoices shall be correctly addressed and shall include the RSS Purchase Order number(s) and article numbers.

Payment shall be within 30 days after receipt and acceptance of the invoice, unless another Payment Term has been agreed upon and confirmed in the Purchase Order.

Article 5 **Order Management and Deliveries**

A Purchase Agreement is concluded between RSS and the Supplier when RSS has issued a Purchase Order to the Supplier and the Supplier has confirmed acceptance in writing within 5 days after receipt of the Purchase Order. A Purchase Order can be superseded by a Long Term Call-off Order that should be separately agreed upon by RSS and the Supplier.

Delivery terms shall be FCA – Free Carrier – Supplier’s warehouse as specified in the order in accordance with “Incoterms 2010”, unless otherwise agreed and confirmed in the order from RSS to the Supplier. In case of deliveries within the Netherlands the shipping term will be EXW - Ex Works – Supplier’s warehouse as specified in the PO.

The Supplier shall supply the Products on the confirmed delivery date.

In the event the Supplier is unable to meet the requested delivery date after the order confirmation has been sent, the Supplier must immediately notify RSS and agree on partial deliveries or any other remedy to mitigate possible exposure or damage to RSS.

The Supplier shall compensate RSS for any loss or damage arising from delayed deliveries.

The title will pass from the Supplier to RSS upon delivery of the Products at the location that RSS has specified in the PO.

Article 6 **Warranty Period, Defects and Product Liability**

The Supplier guarantees that the Products comply with the technical specifications, the latest state of the art, and any safety or other official regulations. The Supplier guarantees that the Products are new, free of defects and fit for the intended purpose.

RSS shall be entitled to return goods that do not meet the required standards or tolerances on Supplier’s risk and account.

If nevertheless the products supplied manifest manufacturing faults and/or faults in the material, the Supplier shall repair these faults, make available the parts necessary for the repair or offer compensation to the satisfaction of RSS.

The warranty period will be 24 months after the delivery date and will be prolonged as long as the Products cannot be used for its intended purpose.

The Supplier shall promptly, but in no case later than 14 days upon conclusion of this contract, submit for inspection to RSS the relevant insurance policies or appropriate insurance certificates from the insurance company. The general liability insurance will have a minimum coverage of Euro 1 million per case of damage. The insurance policies shall be maintained throughout the period during which any third-party or product liability claims may be asserted against RSS, in any case however for at least 48 months after termination of this Contract or after the expiry of the Warranty Period with respect to the last PO, whichever is later. Supplier shall notify RSS in advance and in writing about the termination of any relevant insurance policy and the exact point in time of such termination.

Article 7 **Quality control**

RSS is entitled, after reasonable notification, to conduct quality checks at the manufacturing sites of the Supplier. RSS may also make examinations at the Supplier's premises, not only for quality purposes but also for safety related issues.

Article 8 **Foreign Trade**

Upon RSS request the Supplier shall provide a declaration for preferential origin (in case of European suppliers) or preferential certificates (in case of non-European suppliers) provided the products meet the legal requirements for preferential trade.

The Supplier shall also provide all necessary information to enable RSS to distribute the Products or meet local Trade compliance legislation.

Article 9 **Intellectual Property Rights**

The Supplier is entitled to use RSS Intellectual Property Rights – "IPR" – for manufacturing purposes. The Supplier shall not use RSS IPR for the manufacturing or use in any other products than the ones that will be sold to RSS, nor make this information available to others without written approval of RSS.

Article 10 **Confidentiality**

All aforementioned information, including company details, client information and financial or technical data (to be) provided by RSS or persons appointed by them shall be treated by the Supplier as private and confidential information with regard to which he shall observe strict confidentiality towards third parties.

Article 11 **Environment, Health & Safety**

The Supplier and its staff shall be responsible to be compliant with Legal requirements as to environmental issues, health & safety. Also the use of substances of very high concern (SVHC's) described in the EU REACH legislation (Registration, Evaluation and Authorization of Chemicals) is prohibited.

Article 12 **Disputes and applicable law.**

In the event of any dispute arising out of or in connection with this General Purchase Conditions, Parties agree to first get together in order to seek a solution in good faith and with fair dealing.

The United Nations Convention of Contracts for the International Sale of Goods (Vienna Convention of 1980) is explicitly excluded.

Disputes in respect of the contents and performance of these General Purchasing Conditions or any orders ensuing from it are governed by the laws of the Netherlands and shall be exclusively brought before the competent court in the court district of Roermond, the Netherlands.