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General Terms and Conditions of purchase of RIMO Germany GmbH & Co. KG

(hereafter "RIMO")

Preamble

RIMO GERMANY GmbH & Co. KG develops produces and sells products in the field of karting and special vehicle construction (hereinafter referred to as "products" or "goods"). Some of the products are developed and manufactured according to the individual requirements of the customer; some of them are manufactured as standard products in series. The product range includes new and used karts as well as spare parts and single parts for the karting field. RIMO GERMANY GmbH & Co. KG services include also powder coating.

§ 1 General

1. These terms and conditions of purchase shall apply for the purchase of goods and products and material subject to the contract concluded between RIMO Germany GmbH & Co. KG, headquartered in 58675 Hemer, Germany, and the supplier.
2. Our terms and conditions of purchase shall apply exclusively; conflicting or deviating terms and conditions of the supplier will not be accepted, unless we have expressly approved of their validity in written form. Our terms and conditions of purchase shall also apply in case we accept the delivery of the supplier without reservation in spite of being aware of the supplier's conflicting or deviating terms and conditions.
3. These terms and conditions of purchase are available and downloadable at any time on our homepage www.rimo-germany.com in the latest version. Please print these terms and conditions of purchase for your documents and read them carefully.
4. Our terms and conditions of purchase apply only subsidiary to general agreements, which are closed between RIMO and the supplier. This applies particularly to quality assurance agreements.
5. With general labels such as „us“ or „we“, RIMO is meant in these general terms and conditions of purchase.
6. Our terms and conditions of purchase shall only apply towards companies in accordance to § 310 I BGB, § 14 BGB (German Civil Code), public law entities and separate fund under public law.

§ 2 Offer – Offer Documents

1. We shall be bound to our offers for two weeks after receipt.
2. Deliveries without a written order will not be accepted by us.
3. We reserve the property and copyright titles in all illustrations, drawings, calculations and other documents. The supplier must not disclose them to third parties without our explicit written consent. The supplier may use them only for production according to the our order. After completion of the order, the supplier has to return all such documents to us without having to be reminded. The supplier has to keep all such documents secret from third parties. The documents shall not be reproduced or copied in any kind. The documents have to be treated and stored with care and have to be returned completely and cost-free immediately after completion of the order.
4. Models, stencils, templates, samples, tools and other manufacturing equipment and confidential information which are made available for the supplier by us or which are fully paid by the supplier, may only be carried out to third persons with our prior written consent.
5. Subcontractors are to be obliged according to the contract.

§ 3 Prices and Payment Terms

1. The offer price is binding. Unless agreed otherwise, the price shall include delivery free domicile, freight, packaging and the statutory VAT.
2. If a price is agreed ex works or ex storage, we only bear the freight costs that we agreed to. The supplier shall bear all costs up to the point of delivery to the carrier including loading, but excluding transport cost. The agreement on the place of performance shall not be affected by the nature of pricing.

3. The agreement on the place of performance shall not be affected by the nature of pricing.
4. Unless otherwise agreed in writing, we will pay the purchase price with 2% discount within fifteen (15) days of contractually delivery and receipt of invoice or net within thirty (30) days of receipt of invoice.
5. In case of defective delivery, we shall be entitled to withhold the payment proportionately to the value until the contract has been duly performed. To the extent that payments have already been made for defective deliveries, we are entitled to withhold other due payments up to the amount of the payments made.
6. Offsetting and retention rights are entitled to us to the statutory extent.
7. We are obligated for execution of the service only after the supplier has done his counterpart of the contract.

§ 4 Partial deliveries – Delivery time – Scope of delivery

1. Partial deliveries are never permitted unless we have expressly approved them.
2. We reserve the right to return over-deliveries at the expense of the supplier.
3. Our delivery time stated in the order is binding.
4. As soon as the supplier becomes aware of difficulties with regard to production-problems or keeping of appointments and delivery time, the supplier must inform us without delay. The supplier has to inform us as well if he wants to deliver earlier than the delivery time stated in the order.
5. In the event of a delay in delivery, we shall be entitled to demand lump-sum delay damages of 1% of the net price per completed week, but not more than 10% of the net price of the delayed delivered products; further legal claims (resignation and damages instead of performance) are reserved. The supplier has the right to prove to us that as a result of the delay, no or significantly lower damage has occurred. If agreed delivery dates are not kept, RIMO has a claim to repayment of all additional costs which arise RIMO as the result of the delay.
6. If agreed delivery dates are not kept, we have a claim to repayment of all additional costs which arise us as the result of the delay.
7. The unconditional acceptance of the delayed delivery or service does not imply a waiver of any claim for compensation due to us because of the delay of the supply or service.
8. If the packing remains the property of the supplier, the supplier shall take it back at his own cost.
9. The supplier has to care about our shipping interests. We are not obliged to process truckloads before the delivery documents have arrived.
10. The supplier has to notify us in text form (fax or email is sufficient) of any storage or transportation risk and/ or specific storage or transportation conditions prior to delivery in order to avoid any damage.
11. If an express delivery is made upon our request, the supplier has to inform us about the additional costs in advance. The Supplier has to carry the additional costs for the express delivery if there is no prior agreement between us and the supplier.
12. If the supplier fails to deliver the products on time, we may demand that the supplier gives us all the relevant documents, images and information, without delay and free of charge, that the supplier required for the service, for the reason that we can use these documents to achieve successful contract execution themselves or by subcontractors or third party manufacturers. If necessary, the supplier has to give us all the information that we need to achieve successful contract execution.

§ 5 Place of Performance, Passing of Risk, Default in Acceptance

1. The place of performance is our place of business, Sundern. The delivery is a debt to be discharged at our place of business insofar as the contracting parties agreed otherwise.
2. The risk of accidental loss and accidental deterioration of the products passes to RIMO upon the hand-over of the products at the place of performance. If acceptance of the products is agreed upon, the risk passes upon their acceptance. In other respects, the statutory provisions under the law on contracts for work and services also apply to the acceptance of products.

3. Our default of acceptance is subject to statutory provisions. The supplier has to expressly offer RIMO his performance if a certain or definable calendar period has been agreed upon for any act or cooperation by RIMO (e.g. provision of material). If the contract refers to the manufacture of a specific item (custom-made item), the supplier shall be entitled to further rights only if we have undertaken to cooperate and if we are responsible for the failure to do so.

§ 6 Proofs and Export restrictions

1. Proofs of origin requested by us will be provided by the supplier with all the necessary information and made available properly signed without delay. This applies correspondingly to proofs under value added tax law in the case of foreign and intra-Community supplies.
2. In case of non-observance of this obligation, the supplier shall be liable for any further damage resulting from this non-observance. This includes additional demands of import duties, fines and anything like that.
3. The supplier will inform us without delay if a delivery is wholly or partly subject to export restrictions according to German or other law.

§ 7 Inspection of defects – Liability for defects

1. At the time of passing of risk, all services and products provided by the supplier must meet the quality characteristics specified in our order, must be suitable for the period of use usual for such operations without any restrictions and must fulfil the contractual purpose or, if such purpose is not defined, be suitable for the ordinary application.
2. The statutory provisions of §§ 377, 381 HGB shall apply to the duty to inspect and to give notice of defects with the following proviso: We are obliged to inspect the goods for any quality and quantity deviations within a reasonable period of time; For this purpose, the products will be exposed to defects that become evident during our inspection of incoming goods, including external inspection, including the delivery note. Transport damage or incorrect / reduced / excess deliveries, immediately reported. Samples for defect control are reserved for our choice. The complaint is timely, provided that it is sent to the supplier within a period of 3 working days, calculated from the receipt of the goods, or in the case of hidden defects as of discovery. The timely dispatch of the ad is sufficient.
3. We expressly point out to the supplier that he must clarify the above provisions with regard to our inspection and complaint obligations with his liability insurance, so that this regulation is covered by the insurance cover. If the insurance cover of the supplier is omitted, we are not liable for any resulting damage.
4. We shall be entitled to all claims due to defects permitted by law; we shall in any case be entitled to demand of the supplier remedy of defects or delivery of replacement goods at our discretion. We expressly reserve the right to claim damages, in particular damages in lieu of performance, to the full extent and for every level of default in accordance with the statutory provisions.
5. In case of imminent danger or particular urgency, we shall be entitled to remedy the defect themselves at the expense of the supplier.
6. Quality and durability warranties have to be designated in detail as such expressly in writing.
7. The period of limitation for liability of defects shall be 3 years. It begins with passing of risk, as far as the mandatory provision of §§ 445b, 478 II BGB does not intervene.
8. If we are held responsible with regard to the nature and quality of the supplier's products manufactured by the delivery item due to statutory- and safety provisions according to the principles of product that is associated with the product or the service of the supplier, we shall be entitled to claim damages from the supplier to the extent that its delivered products contributed to the damage.
9. In case of an entitled notice of defect the supplier shall be obligated to carry the costs of the separation of defective and non-defective parts (costs of sorting).
10. The remaining mandatory provisions of the delivery recourse remain unaffected.

§ 8 Safety instructions – Hazardous substances

1. The supplier shall take account of the acknowledged rules of technology, the respective valid statutory and official regulations and our rules and regulations. (esp. DIN, VDE, VDI, DVGW).

2. The products have to consider to the above mentioned rules and regulations on the date of delivery, especially to the hardware protection law, the conservation and the accident prevention regulations. If the supplier supplies material which is dangerous according to the dangerous material regulations or if the supplier supplies products, whose use does not rule out the release of such material, the supplier is obliged the EEC safety data sheet available before the delivery without being asked.
3. Should any damage arise to us as a result of the supplier not comply with the safety instructions, the supplier will be liable for the damage in terms of §11 in this agreement.
4. We have to be informed of the use of restricted, toxic and/ or dangerous substances before serial supply starts and we have to give a written authorization.
5. By using the authorised environmentally or personal hazardous substances the supplier has to act within the existing statutory environmental requirements.
6. The written authorization shall not constitute a waiver of claims for damages or even a liability towards third persons.
7. If public authorities that are responsible for e.g. vehicle safety or exhaust gas regulations need to gain insight into production sequences or examination papers of RIMO for a verification of certain requirements, the supplier declares himself at our request to comply with the public authorities and grants them the same rights as RIMO does and support them in any possible way.

§ 9 Packaging and Marking

1. All dispatch notes, way-bills, delivery notes, invoices and all correspondence shall always include the order number, the delivery-perspective number, the valid drawing number and the valid part list- or subscription index as well as the barcode. The barcode marking has to suitable to the current VDA standard.
2. The supplier has to comply with the agreed packaging rules. If products are delivered which do not meet the essential requirements, we are entitled to reject the delivery, to return the delivery on the suppliers costs or to charge for additional costs of repacking.
3. In case of using the agreed reuseable packaging the supplier has to ensure that there is always sufficiency of the packing containers in regard of the current delivery forecast.

§ 10 Quality

1. The supplier shall continually monitor the quality of the delivery items. The contractual partners will inform one another about the possibilities of quality improvement. In the event the kind and extent of the testing as well as the testing equipment and methods are not agreed between RIMO and the supplier, we shall, if the supplier desires, agree to discuss the testing with the supplier pursuant to his know-how, experiences and possibilities in order to find out the requisite state of testing techniques. Furthermore we shall inform the supplier about the current safety instructions on his demand.
2. Concerning the parts especially marked in the technical documentation or designated by separate agreement, the supplier is required to keep special records as to when, in what manner and by whom the supplied goods have been tested with regard to the characteristics required to be recorded and which results were achieved by the quality tests so required. The test documents shall be stored for ten years and presented to us upon request. Within the limits of the legally permissible, the supplier must apply the same obligations to all upstream suppliers.
3. All changes in process, raw materials or manufacturing sites need our written release before first usage.
4. Innovations (product development), changes in products or process are subjected to a formal initial sampling process. This process is known by the supplier and is named in the initial order of tools and/ or samples and which took the basis of the initial sampling.
5. On our demand the process-accompanying control-documentation has to be enclosed to the shipping documents. If those documents are missing, the delivery batch size will be quashed.
6. Before serial delivery starts, the supplier has to send a sufficient quantity of initial samples (parts created from series tools and under series condition) together with the complete filled in initial sample test report formulary. If required, the supplier gets our separate initial sample order.

7. The initial sampling delivery has to be marked obviously. The creation of the initial sampling test report has to be free of charge for us.
8. With the acceptance of the initial sampling delivery, documented within a test report which reaches us immediately, the serial delivery gets released.

§ 11 Resupply, Means of production, Tools

1. The supplier guarantees the ability to supply the respective product for a period of 15 years.
2. The supplier is obligated to store the tools and appliances that are needed for the production even after lease expiration of the series production ready-to-use for a safe short-dated delivery to us.
3. The costs for maintenance, service and insurance of the tools are placed to the debit of the supplier.
4. If the supplier plans the scrapping or destruction of the tools, he is liable to inform us at least three (3) weeks in advance. The supplier has to give us the chance to take back the tools.
5. If we acquire ownership of the required tools, a separate tool rental contract will be concluded between us and the supplier.
6. In case the assets of the supplier have been subjected to insolvency proceedings, the supplier returns the proportionally paid or fully paid tools and appliances to us that are necessary for the construction of the contractual products.
7. As far as we are entitled to a (partly) selection according to number 1 to 7 of this clause, only proportionally paid tools have to be paid by us at a height of the difference in value compared to the asset value shown in the balance sheet minus necessary reconditioning costs. Reconditioning costs are all necessary maintenance and improvement works on the tools and appliances for producing a proper product on equivalent machines.

§ 12 Liability of the supplier

1. The supplier shall be liable for all damages caused by himself or his vicarious agents to the full extent and for every level of default in accordance with the statutory provisions.
2. The risk for damage during transportation lies with the supplier.
3. For our measures to prevent sue and labor (e.g. callback) the supplier shall be liable to the extent he is legally undertaking.

§ 13 Impediments to performance – Defects on subcontracted parts

1. As soon as the supplier becomes aware of difficulties with regard to the contract compliance, the supplier must inform us without delay, stating the reasons and the expected duration of the delay.
2. In case a defect or a damage is suspected in connection with subcontracted parts included in the service which is subject-matter of the contract the supplier shall be obliged to provide us information about the subcontractor or the intermediate dealer upon request and to provide any details and information required for asserting claims against the latter.

§ 14 Product liability – Right of Indemnity – Liability insurance protection

1. To the extent the supplier is responsible for damage caused by a product, he shall insofar be obligated to indemnify us upon first request against any claims for damages by third parties, if the cause lies within the supplier's sphere of control and organization and he is himself liable in relation to third parties.
2. Under the liability pursuant to sub-clause (1) the supplier shall also be obligated to reimburse any expenses resulting from or in connection with any recall action carried out by RIMO in accordance with Sections 683, 670 German Civil Code or in accordance with Sections 830, 840, 426 German Civil Code. We shall notify the supplier of the content and scope of the recall measures to be implemented - if possible and feasible - and give it an opportunity to express an opinion on the matter.
3. The supplier commits himself to enter into lump sum product liability insurance with an insured sum of 10 million Euro for any personal/ material damage during the term of this contract, that means until the respective expiry of the defect limitation period; In addition, the supplier has to take out a recall cost insurance in a reasonable amount, but at least in the amount of € 5 million.

If further claims for damages remain, these remain unaffected. The insurance must be provided to us in writing upon request.

§ 15 Property rights

1. The supplier warrants that no rights of third parties are infringed in connection with its products and delivery.
2. If and when a third party asserts a claim against us owing to such an infringement, the Supplier shall be obligated upon first written request to indemnify and hold us harmless from and against any such claims;
3. The supplier's indemnification obligation shall extend to any and all expenditures which we necessarily incur with respect or in relation to the assertion of the claim by a third party.
4. The contract partners agree to inform each other without delay of any risks of infringement and alleged infringements that become known, and to give each other the opportunity of counteracting conjointly against such claims of third parties.

§ 16 Payment of security – Assignment

1. If we do make any deposits on the order, we shall be entitled to demand a chattel mortgage of the suitable materials, especially of the ordered objects that are in production, at any time.
2. The supplier shall not be permitted to cede his claims against us resulting from this business relationship partly or wholly without first having obtained our prior written consent; we do not decline consent without important reasons.

§ 17 Transfer of contract – Change of company's name

1. The supplier shall not be permitted to transfer the performance of certain contractual duties in whole or partly to third parties without our prior written consent. If this approval is granted the supplier remains responsible to us as a co-debtor.
2. The supplier shall inform us of any passing of contract by virtue of law and of any change in his company.

§ 18 Audit

1. The supplier shall make it possible for us (itself, together with our customers or throughout legitimated third parties) at reasonable intervals to satisfy RIMO that the supplier has carried out appropriate quality control measures within the business.
2. The audit may be performed as a system, process or product audit.
3. To this end the supplier shall grant us access to his business premises after prior agreement of a date and time on a reasonable scale and make available a professionally qualified member of his staff to provide us with assistance.
4. We reserve the right to monitor sub-suppliers as well. The supplier is obliged to make it possible to review the subcontractor by entering an agreement to this effect with the subcontractor.

§ 19 Force Majeure

1. If any party is prevented from performance the contractual obligations because of the event of force majeure, this will not be counted as a contractual violation and the delivery dates shall immediately be extended for the duration of the force majeure.
2. As cases of force majeure shall be deemed all conditions which are independent of the will and influence of the parties, in particular, but without being limited to them, natural disasters, government measures, decisions on the part of the authorities, blockades, war and other military conflicts, mobilization, civil unrest, terror attacks, strikes, lockouts (as well at subcontractors) and other industrial unrest, confiscation, embargoes and other unforeseeable, serious conditions which are not the fault of the parties and which arise after the making of this agreement.
3. The contractual parties shall be relieved of liability for partial or full nonfulfillment of their obligations provided that the supplier and RIMO prove that said non-fulfillment was prevented by circumstances beyond the control of the supplier and RIMO and arose upon the signing of any contract.
4. The parties will do everything they can, in case it is necessary and reasonable, to minimize the extent of the consequences, caused by force majeure.

5. The party affected by force majeure circumstances or facing circumstances beyond its control shall immediately notify the other party of the occurrence, type and anticipated duration of said circumstances.
6. Should force majeure circumstances or circumstances beyond the control of the parties continue for more than two months, the supplier and RIMO shall agree upon further execution of any contract. If at that the supplier and RIMO fail to reach a mutual agreement the party that was not affected by said circumstances shall have the right to terminate the contract without applying to the arbitration court.

§ 20 Contractual law – Applicable law – Place of jurisdiction – Place of performance

1. The contract language is German.
2. In the event of discrepancies between the English and German version of the respective clauses in these terms and conditions, the German version prevails.
3. Only German law is applicable on this contract – excluding the UN-sales rights.
4. Unless stated otherwise in the contract, the place of performance for delivery and payment shall be the place specified in the order as the place where delivery is to be affected.
5. If the supplier is a merchant, our place of business is the place of jurisdiction; however, we are entitled to sue the supplier at his place of business.

§ 21 Data Protection

1. Any data accruing in connection with the contractual relationship shall be stored in files.
2. Any use of our requests, orders or company for advertising purposes is permitted. We reserve the right for permission in certain cases.
3. The contract parties commit to treat all details which are not obvious, commercial and technical and which become known to them through the business relationship, as commercial secrets.
4. Subcontractors shall be bound respectively.

§ 22 Compliance with law, rules and legal regulations

The supplier shall comply with all applicable laws, rules and legal regulations in those countries he operates in and he shall establish and maintain a system to monitor compliance with such laws, rules and legal regulations.

§ 23 Respect for Human Rights

1. The supplier will treat all individuals with respect and fairness and will observe basic human rights set forth, for example, in the Universal Declaration of Human Rights of the United Nations and the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy of the UN International Labor Organization (ILO).
2. This includes, but is not limited to, the prohibition of forced or child labor, and the provision of reasonable wages, social benefits, working hours, freedom of association and other fair working conditions in compliance with applicable laws.
3. The supplier will maintain an environment with no retaliation, free of discrimination and harassment on the basis of gender, age, race, skin color, ethnicity or national origin, citizenship, religion or religious beliefs, physical or mental disability, veteran status, sexual orientation or any other characteristics protected by applicable law.

§ 24 Antitrust and Competition Law Compliance

1. The supplier will strictly comply with all applicable antitrust laws, trade practice laws and any other laws, rules and regulations dealing for example with monopolies, unfair competition, restraints of trade and competition, and relationships with competitors and customers.
2. The supplier will not enter into agreements with competitors and other acts, which may unfairly impact competition, including, but not limited to, price fixing or market allocations.

§ 25 Anti- Corruption

1. The supplier will comply with applicable laws and regulations concerning anti-corruption, including those concerning foreign corrupt practices.

2. The Supplier will not engage in nor tolerate any form of corruption, bribery, theft, embezzlement, or extortion or the use of illegal payments, including without limitation, any payment or other benefit conferred on any individual, company or government official for the purpose of influencing the decision-making process whether or not in violation of applicable laws.
3. The Supplier will never offer, grant, demand or accept bribes, illegal payments, payoffs, kickbacks, incentives, gifts, entertainment, favors or other benefit of a value in exchange for business opportunities with or in any way related to the business operations of RIMO.

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