General Conditions of Purchase

1.0 General Terms
1.1 Our conditions of purchase apply exclusively; we do not accept any conditions of the Supplier which are contrary to, or deviate from, our conditions of purchase. Unless we have given our consent to their application expressly and in writing, our conditions of purchase also apply if we accept the delivery without reservation in spite of our knowledge of conditions of the Supplier which are opposing or deviating from our conditions of purchase.

1.2 If we have informed the ordering party of the intended purpose of the delivery or services, the Supplier shall be obliged to inform us immediately if his deliveries or services are not suitable for said intended purpose.

1.3 The conditions of purchase only apply in relation to business persons within the meaning of Section 310, 1 of the BGB (German Civil Code). They shall also apply to all future business transactions with the Supplier.

1.4 We may cancel the order without being charged any costs for this if the Supplier does not confirm the order to us in writing within two weeks after its receipt. The delivery dates or services have been performed in the meantime.

1.5 Orders must be in writing. Oral orders, changes or additions shall only be binding if they are confirmed by us in writing.

1.6 The assignment of orders to third parties shall not be permitted without our written consent and shall entitle us to withdraw from the contract fully or partly and to require compensation for non-compliance.

1.7 The Supplier shall supply all documents (certificates of origin) which we require for obtaining import licenses or services are not suitable for said intended purpose.

2.0 Delivery terms
2.1 Unless otherwise agreed, delivery shall be binding. For the timeliness of deliveries not including assembly or erection, the receipt at the delivery address specified by us shall be decisive; for the timeliness of the assembly of deliveries or services, the acceptance shall be decisive.

2.2 Any delay in delivery, whether during or after the compliance with the agreement upon delivery dates or services, shall be serious; in addition to the legal claims, the Supplier subsequently seeks over the further delay to the time of the agreed delivery date. At our choice and unless otherwise agreed, payments shall be made within 14 days with a 3% cash discount, within 30 days with a 2% cash discount net within 60 days.

2.3 Payments do not mean that the deliveries or services are recognized as being compliant with the contract.

2.7 Assignment and pawning
2.8 The assignment or pawning of contractual claims shall only be effective with the ordering party’s written consent. The ordering party will not refuse said consent without an important cause.

3.0 Shipping; transfer of risk
3.1 Unless otherwise agreed, the shipping and packing costs, duties, fees and other charges shall be borne by the Supplier. Unless otherwise agreed in writing, deliveries shall be free domicile. If prices are stipulated on works, the goods shall be shipped at the lowest possible cost unless we have a particular request for shipping. Additional costs due to non-compliance with a shipping or packing regulation or for an alternative mode of transport are to be borne by the Supplier. In case of shipping or delivery according to the agreed delivery date, the Supplier shall be entitled to invoice the costs for this if the delivery and/or services are not carried out at the time of their transfer of risk at the latest. Any further claims and rights are reserved.

4.0 Insurance
4.1 The invoice shall be sent separately for each order/delivery, with the order number and any other purchase order indicators being specified, to our address (Eschau-Hobbach) unless a different invoicing address is mentioned in the order. Duplicates of invoices shall be marked as such. The invoice must comply with the legal provisions currently in effect. Improper invoices shall be returned to the issuer.

6.0 Payments
6.1 The price indicated in the order is binding. Payment shall be made at the conditions mentioned in the order.

6.2 The period for payment commences as soon as the invoiced deliveries or services have been accepted or, if no acceptance is planned, have been performed completely and the proper invoice has been received. However, the agreed payment on delivery dates or services have been performed in the meantime.

6.3 Payments do not mean that the deliveries or services are recognized as being compliant with the contract.

7.0 Assignment and pawning
7.1 The assignment or pawning of contractual claims shall only be effective with the ordering party’s written consent. The ordering party will not refuse said consent without an important cause.

8.0 Liability for defects; examination of defects
8.1 The Supplier shall guarantee that the deliveries or services comply with the agreed specifications, have the assured properties and do not have any defects which remove or reduce their value or their suitability for the use which is customary or assumed under the agreed purpose. Furthermore, the Supplier guarantees that his deliveries and services comply with the generally accepted rules of technology, the relevant environmental, accident prevention and other industrial safety regulations and the generally accepted safety technology and occupational health and safety rules that currently apply in Germany.

8.2 In case of the commencement of production or the performance of the service, the Supplier shall, without exceptions, take into account any changes in the type of the composition of the processed material or in the design as compared to deliveries or services of the same type which we have already performed to us earlier. The changes require our written consent.

8.3 We will be obliged to examine the delivery for any quantity or quality deficiencies, within an agreed time period and to make complaints immediately. In the case of hidden deficiencies, this shall apply from the time of their discovery, insofar as incoming goods inspections according to the same information and procedure are agreed, we may, in the case of any excess of the agreed quality limit values, reject the entire delivery and test 100% of it at the Supplier’s expense.

8.4 The period of limitation is 36 months, counted from the transfer of risk.

8.5 We are entitled to the legal claims for deficiencies without any deduction; in any case, we shall be entitled to require the elimination of the deficiencies or a faultless delivery from the Supplier at our choice. The right to receive compensation, particularly compensation instead of performance, is hereby reserved expressly. In urgent cases, if due to the passing time and the risk of substantial damage it is not possible to notify the Supplier and/or to enable him to cure the deficiency, we may perform the elimination of deficiencies ourselves at the Supplier’s expense.

9.0 Industrial property rights
9.1 The Supplier shall be liable for the deliveries or services not infringing any third-party industrial property rights, also with regard to their use. To the extent the Supplier has acquired or processed products from third parties, Supplier warrants that as per his knowledge such products or services do not violate industrial property rights of third parties.

9.2 If claims are made against us by third parties, the Supplier shall be obliged to indemnify us against these claims upon the first written request. The Supplier’s obligation to indemnify relates to all proceedings which are incurred by us necessarily due to, or in connection with, a third-party claim, except in situations where the Supplier is not liable as per clause 9.1.

9.3 The period of limitation for claims under this clause 9 is 5 years, counted from the delivery resp. performance.

10.0 Product liability; indemnification; liability insurance cover
10.1 If the Supplier is responsible for product damage, he shall be obliged to indemnify us against any third-party damage claims upon our first request insofar as the cause is within his domain and organizational area and he is liable in external relationships.

10.2 As part of his liability for damage within the meaning of Subsection 1, the Supplier shall also be obliged to reimburse any expenses under Sections 683 and 670 of the BGB and Sections 830,840 and 426 of the BGB which are incurred due to, or in connection with, a measure taken by us. Any other legal claims remain unaffected.

10.3 The Supplier undertakes to keep a product liability insurance with a limit of liability at the lump-sum amount of 5 million euro per person per occurrence. A damage to the property damage; if we are entitled to make any further damage claims, they remain unaffected.

11.0 Reservation of ownership; provision of materials; secrecy
11.1 Models, samples, production facilities, tools, measuring equipment, production equipment, provided materials, drawings, works standard sheets, printer’s copies and the like which we surrender to the Supplier will remain our property, and we reserve all copyrights thereto.

11.2 They may not be made accessible to third parties without our express consent. They may be used exclusively for production in accordance with our orders. After the handling of our orders, they must be returned to us without request. They shall be kept secret from third parties. Said secrecy obligation shall continue to exist after the handling of the contract. We may require the return of the items and documents from the ordering party at any time.

11.3 Any processing or reshaping by the ordering party will be done on our behalf. If the goods subject to our reservation of ownership are processed together with other items not belonging to us, we will obtain shared ownership of the new object in the ratio of the value of our item (purchase price plus VAT) to the other processed items at the time of the process.

11.4 The same shall apply to joining and mixing mutuals.

12.0 Spare parts
12.1 The Supplier shall be obliged to supply spare parts at adequate conditions for the projected time of technical use but not more than 5 years from delivery.

12.2 If the Supplier discontinues the production of the spare parts, the Supplier shall be obliged to give us the last possible order on request, to surrender to us the energy to produce spare parts for the production of the spare parts and to permit us to use them free of charge.

13.0 References and publica-tions
When specifying references or in publications, the Supplier may mention our company or its trademark only with our prior written consent.

14.0 Binding character
Even in case of legal ineffectiveness or ineffectuality of individual regulations, the remaining regulations remain in effect. The ineffective regulation will be replaced by one that most closely approximates the economic intent in a legally permitted manner.

15.0 Court of jurisdiction; applicable law; place of performance
15.1 If the Supplier is a businessman, our place of business shall be the court of jurisdiction; however, we shall also be entitled to sue the Supplier at his place of residence. German law applies.

15.2 Unless otherwise stipulated in the order, our place of business shall be the place of performance.

Date: 03/2015
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