

Standard Terms of Purchase (Revision 12/2017)

Introduction

Our following Standard Terms of Purchase form an integral part of all our purchase orders and contract offers, and also apply to both initial contracts entered into by us and to follow up orders. They shall also be legally applicable to future contractual relationships without the need for them to be explicitly incorporated and may only be altered by making a written addition to our Terms of Purchase. Any terms of delivery of our suppliers which deviate from these Standard Terms of Purchase shall only be binding on us if they are explicitly recognised in writing as binding. Any terms and conditions of our suppliers which are contrary to these Standard Terms of Purchase are hereby rejected. By making delivery the Supplier recognises our Standard Terms of Purchase as exclusively binding. Acceptance of supplies or services from our suppliers or payment for the same shall not be construed as acceptance of their terms of sale.

1. Purchase orders

Orders are only legally binding if issued in writing. Oral agreements shall be subject to our written confirmation. This also applies to changes or additions. Order releases may also be placed by remote data transmission.

2. Order acknowledgement

All purchase orders must be confirmed in writing immediately stating the specified delivery period and price. If the supplier fails to confirm the purchase order within five working days of receiving it, we shall be entitled to revoke the purchase order. Order releases become binding if the supplier does not object within three working days of receiving the order. The supplier shall automatically inform us about any changes in standards and about the effective date of their application.

3. Shipment

Shipment shall be made at the cost and risk of the supplier. We do not recognise shipments in excess of or short of the order quantities. We shall be entitled to return such deliveries at the cost and risk of the supplier. The supplier shall only be entitled to make part delivery with our explicit approval. We shall also be entitled in such cases to charge any additional costs arising as a consequence to the supplier.

4. Delivery dates

All delivery dates refer to dates of arrival. Delivery dates and periods in purchase orders and order releases are binding. The stipulated delivery period and delivery date must be complied with punctually and is deemed to be agreed as fixed.

The supplier shall notify us immediately in writing if it identifies any problems arising with regard to the production or procurement of input material, or if circumstances arise which are beyond the supplier's influence and which will probably prevent the supplier from making delivery in good time.

Failure to comply with the agreed delivery period and dates shall entitle us to withdraw from the contract and to demand compensation for non-performance with no requirement to give notice of default or to set a period of grace. We shall be entitled to claim back any additional costs incurred by us owing to the delayed provision of supplies or services for which the supplier is responsible and which may be incurred, e.g., as a result of the need to procure elsewhere, owing to machine downtimes, arising from claims for compensation made by our customer, or due to contractual penalties imposed by our customers, etc. Acceptance of late supplies or services shall not imply waiver of claims for compensation.

Force majeure, industrial disputes, operational disruptions not due to our fault, civil disturbances, action by official bodies and other unavoidable events shall entitle us to rescind the contract in whole or part or to demand performance at a later point in time without this providing the supplier with grounds for any claims against us. If we are prevented by extraordinary circumstances from accepting the goods on the delivery date, we shall be entitled to specify a later delivery date at our own discretion.

5. Shipping

The supplier shall ensure that goods are shipped in faultless and appropriate packaging. In particular, the supplier shall heed the provisions of the Packaging Order. Packaging costs shall be borne exclusively by the supplier. The information in our purchase orders and release orders shall apply. Delivery notes shall be enclosed with the shipment and shall clearly state our purchase order and purchase position number as well as the supplier's order number.

The supplier shall consult and reach agreement with us regarding packaging and identification, as well as the identification prescribed for specific materials, parts or products and packaging. The supplier shall ensure that product identification is also legible during transport and storage. The supplier shall take steps to ensure the traceability of its supplied products. In the event that a defect is discovered, assurance is given that the defective materials, parts or products will be identified and ring fenced.

The supplier shall automatically submit up to date safety data sheets for all materials, parts or products.

6. Pricing and passage of risk

Prices are agreed free to works including packaging. Statutory value-added tax is not included in the price. The supplier shall be responsible for the safety of the goods until the goods are accepted by us or our local representative to whom the goods must be delivered in accordance with the contract. Invoices must correspond with the wording in our purchase orders and must be sent as soon as goods are shipped. Invoices must include purchase orders, purchase order positions and order numbers.

7. Terms of Payment

Unless otherwise agreed, we make payment within 20 days at a 3% prompt payment discount, within 30 days at a discount of 2%, or within 90 days at no discount, in each case following receipt of the goods, documents and invoice. Payment is subject to subsequent invoice verification.

8. Warranty

Acceptance is subject to examination for correctness, completeness and fitness. We shall notify any defects as soon as they are discovered. We shall be released from the obligation to perform incoming goods inspections and from the stipulations of sections 377 and 378 of the German Commercial Code (HGB). The values determined by us during the incoming inspection of goods shall prevail with respect to quantities, weights and dimensions. In this respect the supplier waives the objection of delayed notification of defects. Payment of the purchase price prior to determination of any defects shall not constitute recognition of the proper condition of the shipment. If notification of defects is made, we shall be entitled to demand free delivery of substitute performance at no charge without prejudice to any other rights to which we are entitled by law. Unless a longer period is agreed in specific cases, the warranty period shall be 48 months. The costs of any incoming goods inspections which exceed the customary scope of such inspections owing to defective delivery shall be borne by the supplier. In the event of any legal defects, the supplier shall indemnify us against any alleged third party claims. The warranty period in this respect shall be 10 years.

To the extent necessary, the supplier shall grant us and our customers access to all business establishments, inspection stations, warehouses and to adjacent areas and quality-related documents. Reasonable limitations may be imposed by the supplier in order to protect its company secrets.

9. Product liability

If a product liability claim is brought against us by a customer or other third party, the supplier shall indemnify us against such claims in as much as and to the extent that the relevant damage is a result of a nonconformity in the product delivered by the supplier or is due to action taken by the supplier. However, this shall only apply in cases of fault-based liability if the supplier is at fault. The supplier shall bear the burden of proof if the cause of the damage falls within the sphere of responsibility of the supplier or of the supplier's own supplier. All related costs and expenditure, including the costs of any potential legal disputes and/or recall campaigns, shall be borne by the supplier.

10. Confidentiality

Models, samples, drawings, data, standard sheets and suchlike provided by us to the supplier shall remain our property. These, and any other information provided by us which is recognisably not intended for the general public, shall not be made available to third parties except if this is necessary in order to meet the purposes of the contract. Products built on the basis of documentation such as drawings, models and the like prepared by us or based on our confidential information or with our tools or with tools modelled on our tools shall neither be used by the supplier itself nor be offered or supplied to third parties. This also applies to our print orders correspondingly.

11. Assignment

The assignment of claims against us and their collection by third parties is excluded by contractual agreement. Such assignment shall not be recognised.

12. Environmental protection

The supplier shall comply with the statutory environmental standards of the manufacturer and in the buyer country. List of banned substances (VDA etc.) shall be heeded.

The Supplier shall comply with stipulations regarding the set up and maintenance of IMDS (International Material Data System) for the supplied materials and shall provide information about indexed substances on request.

13. Final provisions

The place of performance of both contracting parties shall be Buchen or a place stipulated by us to which the goods shall be shipped in accordance with the order. The legal venue shall be the place of performance. We shall, nonetheless, be entitled to bring an action against the supplier at any other legal venue. These Standard Terms of Purchase and the legal relationships between the contracting parties in their entirety shall be subject to German substantive law. The application of the United Nations Convention on Contracts for the International Sale of Goods (UN CISG) is excluded.

If any provision in these Standard Terms of Purchase or in any other agreements is or becomes ineffective, this shall not affect the validity of the remaining provisions or agreements or of any other provisions or agreements.