

General Terms of Purchasing (as per: 01.03.2008)

§ 1 Orders

1. Orders, and modifications thereof, shall only be valid if they have been executed or confirmed by us in writing.
2. The supplier shall confirm the order/modification in writing without undue delay. Should we not have received a proper confirmation within 14 days – calculated from the date of receipt of the order/modification – we shall be entitled to withdraw the order without the supplier being able to derive any claims from this.
3. A supplier's general terms of sale and delivery shall not be acknowledged if they are in contradiction with our terms of purchasing, without the necessity of issuing a special objection or declaration. In this case, silence shall not be deemed to be acceptance. Exceptions only apply in cases where the supplier's conditions have been expressly acknowledged by us in writing.
4. We shall be entitled at any point of time to request modifications with regard to construction, deliveries and delivery times for orders which have not yet been performed or not yet completely performed.
5. Should our orders be sub-contracted, which shall only be admissible with our expressed approval, the supplier shall be liable for the compliance of his sub-supplier with these terms of purchasing.

§ 2 Delivery

1. Deliveries are to be effected on the agreed delivery date or according to our delivery schedule.
2. Agreed delivery dates are binding and shall be calculated from the date of our order.
3. Should the supplier find that he will not be able to provide delivery in good time, whether entirely or in part, he shall provide written information of this without undue delay, containing information on the reasons and the anticipated duration of the delay. Effects of force majeure on the part of the supplier shall only be acknowledged by ourselves if we have been informed of the occurrence of such events without undue delay. In cases of force majeure on our part, we shall be entitled to withdraw from the contract at any time, either entirely or in part.
4. Should the supplier not meet a delivery date or should he repeatedly exceed the dates stipulated in our delivery schedules, we shall be entitled, at our option, to request either subsequent delivery and damages for delayed delivery without the requirement of putting the supplier in default, or damages for non-performance, or to withdraw from the contract.
5. In cases of delivery ex works, the risk shall pass to us at the time the goods have been properly delivered and accepted at the place of performance.
6. The supplier, or the persons assigned by him respectively, are obliged to request to be handed out the "Betriebsordnung für Fremdfirmen" (Factory Regulations for External Companies) before entering the factory premises. The provisions of the factory regulations are to be categorically adhered to on our factory premises. We shall not be liable for damages to the supplier or his vicarious agents incurred due to a violation of the factory regulations. The supplier shall be liable to the full extent for any damages due to violations of the factory regulations committed by persons assigned by him.

§ 3 Quality

1. The goods to be delivered must comply with the prevailing national and international legal regulations, the regulations on accident prevention, the relevant decrees and directives of the VDE regulations (Association for Electrical, Electronic & Information Technologies) and the latest state-of-the-art technology and must also be strictly in accordance with the documents the contract is based upon, such as drawings, descriptions, samples, specifications, acceptance terms etc.
2. Should we have asked for initial and outturn samples, the supplier may only commence series production after having received our expressed written approval.
3. We expect the supplier to permanently adapt the quality of the goods to be delivered to us to the latest state-of-the-art technology and to point out to us any possible improvements or technical modifications. In all cases, however, any modifications to the goods to be supplied shall only be carried out with our expressed prior approval.

§ 4 Price and payment

1. The prices stipulated in the order are fixed prices. Any public charges such as taxes, customs duties, stamp duties etc. shall be borne by the supplier.
2. Shipment shall be effected under the terms of INCOTERMS 2000 DDP.

3. Payment shall be effected after receipt of the goods as agreed in the contract and of a verifiable invoice within 30 days with 3% cash discount, or after 60 days net.
4. An assignment of accounts receivable by the supplier against ourselves is excluded.
5. The means of payment is at our discretion.
6. Should a defect triggering warranty obligations exist, we shall be entitled to refuse the payment of an appropriate balance between the value of the goods and the estimated value of the defect, up until the time of the correct elimination of the defect.

§ 5 Warranty

The supplier's warranty obligations are determined by statutory regulations unless otherwise specified hereinafter.

§ 6 Labelling of the goods

The supplier shall label the goods as specified by us.

§ 7 Workshop facilities

1. Workshop facilities such as forging dies, templates, matrices, models, samples, tools, drawings etc. we have provided the supplier with, are to be returned to us upon request.
2. Workshop facilities produced or procured by the supplier are to be kept ready for use for replacement part requirements for a period of 10 years from the time of the last series production.
3. Workshop facilities provided to the supplier or produced according to our specifications may not be copied or sold, transferred by way of security, pledged or otherwise passed on or used in any way for third parties without our expressed written consent. The same shall apply for the goods produced using these workshop facilities.

§ 8 Confidentiality

The supplier is obliged to regard the order and the work resulting from it as well as all technical and commercial documents and equipment connected with it as business secrets and to treat it strictly confidentially. He shall oblige his sub-suppliers accordingly.

§ 9 General provisions

1. Should one provision in these terms be void for whatever reason, this shall not affect the validity of the remaining provisions.
2. Special agreements on prices, execution and method of payment which may be concluded herewith shall only refer to this contract and shall not attain any validity for subsequent contracts. We only purchase under the above mentioned terms. In carrying out one partial delivery, the supplier acknowledges these, also for all subsequent deliveries, even in so far as they are in contradiction with his terms of sale. Silence on our part after notifications of opposing terms by the supplier cannot be interpreted as an acknowledgement thereof.
3. The place of performance shall be Cham.
4. The place of jurisdiction for all proceedings and legal disputes between the parties, including claims arising from a possible rescission of the contract, shall be the Amtsgericht (Local Court) of Cham/Opf. or the Landgericht (Regional Court) in Amberg, depending on the value in dispute.
5. The laws of the Federal Republic of Germany shall be applicable exclusively. The applicability of the laws on the international sale of goods is excluded.

§ 10 Acceptance – Notification of defects

1. The supplier shall not be entitled to supply excess, or short-fall deliveries. Should a delivery schedule exist, we shall only be obliged to take delivery of the quantity determined bindingly therein. We are entitled to return deliveries effected before the agreed date at the supplier's costs and risk, or to invoice storage costs.
2. We shall not be bound to a fixed notice period for the notification of hidden defects. Furthermore, we shall be entitled to assert claims for obvious defects within one year after the proper acceptance of the goods.
Payments effected in the meantime shall not be regarded as an acknowledgement of proper supply. The existence of defects entitles us – even if the test was limited to random sampling – at our option, to either withdraw from the contract, entirely or in part and without compensation, or to request reduction of the purchase price, or to carry out remedy work ourselves at the supplier's expense, or to request substitute delivery or damages.

For remedied goods or substitute deliveries, the period of notice for defects shall commence again at the time of the delivery of the remedied or substitute goods. In urgent cases, or in cases of default of the supplier in remedying defects, we shall be entitled, without the requirement of setting a time limit, to have the defect remedied ourselves, at the supplier's expense.

3. Stoppages of work (strikes, lock-outs), interruptions and reductions of operation and similar cases which result in a reduction of our demands, shall discharge us from the obligation of accepting the goods for the duration of the disturbance and to the extent of its effect.

4. The values determined during our incoming goods control and quality examination shall be authoritative for dimensions, quantities and quality. If prices have been agreed per kilo, the weight determined by the railway authorities or by ourselves shall be valid for the calculation.

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