

General conditions of purchase

§ 1

General

- Our conditions of purchase apply exclusively. We do not recognise any conditions of the supplier which are contrary to or deviate from our conditions of purchase. Such deviating conditions of the supplier or other restrictions applied by him are only subject of the contract if they are expressly recognised by us in writing. This does not apply, however, to any standard retention of title clauses of the supplier.
- Subsidiary agreements, reservations, amendments or supplements to the purchase contract require our written confirmation in order to be valid.
- Our conditions of purchase also apply to future transactions, even if these are not expressly referred to, provided they were sent to the supplier with an earlier order.
- The contractual relations are governed exclusively by the law of the Federal Republic of Germany. The application of the uniform law on the international purchasing of moveable objects and the conclusion of international purchase contracts for moveable objects is excluded.
- Standard commercial clauses are to be interpreted in line with the valid "Incoterms" of the international chamber of trade and commerce in Paris.
- We are entitled to store and process the supplier's data pertaining to the business relations within the framework of the data protection act.

§ 2

Offer

- Our request is binding for the supplier's offer. The supplier is to expressly refer to any deviations.
- Our request for submission of an offer does not imply any obligation for us. In particular, the supplier is to submit the offer free of charge.

§ 3

Order

- Only written orders and amendments to orders are valid. Oral agreements are only valid with the written confirmation of both parties.
- Orders have to be confirmed in writing within 8 days of receiving the order letter. In special cases, an extension can be requested.
- We reserve the right to subsequently amend our order in terms of execution and design provided this is feasible for the supplier.
- We retain the ownership and copyright of all illustrations, drawings, calculations and other documents. These are not to be made accessible to third parties without our express written permission. They are to be used exclusively for the production based on our order. On completion of the order, they are to be returned to us without being asked. They are to be kept secret from third parties.

§ 4

Scope of delivery

- Without our written permission, the supplier is not to transfer the contractual obligation to third parties or to make any changes to the scope of delivery or services.
- The order letter and the documents listed within are decisive for the execution of the order. If the supplier has reservations concerning the prescribed execution and design, he is obliged to suggest improvements as soon as possible in writing.
- Unauthorised changes by the supplier are not remunerated and are to be eliminated free-of-charge on request by the purchaser. The supplier is liable for any resulting damage.

§ 5

Prices – conditions of payment

- The prices on which our order is based are fixed prices. In the absence of any deviating written agreements, the price is to include free delivery and packaging. The return of the packaging requires special agreements.
- We are to be informed in writing without delay of any additional costs incurred through the changes in design and execution. These require our express authorisation for their validity.
- We can only process invoices if these – in accordance with the instructions in our order – quote the order number given there. The supplier is responsible for all consequences resulting from non-observation of this requirement.
- Provided this is not agreed otherwise in writing, we pay the purchase price within 14 days of delivery and due receipt of the invoice with 2% cash discount, or within 60 days of receipt of the invoice, provided that the contractual goods were at our disposal on the date of receiving the invoice. This also includes the submission of the documentation owed by the supplier.
- We are entitled to exercise the rights of setoff and retention in accordance with the statutory provisions.

§ 6

Delivery period

- The delivery period given in the order is binding.
- The supplier is obliged to notify us immediately in writing if circumstances occur or become discernible to him from which it is apparent that the delivery period stipulated cannot be observed.
- The agreed delivery period is deemed observed if, on the date of delivery or on expiry of the part of the delivery period, the delivery item has reached the contractually agreed destination and/or the service owed has been fully performed.
- In case of delayed delivery, we are entitled to assert the statutory claims. In particular, after an appropriate extension period, we are entitled to demand compensation for non-fulfilment. An extension period of 10 days is appropriate, unless an act of God or other unpredictable, exceptional circumstances have occurred, for which the supplier is not responsible (including strike and lockout). In such a case, the delivery period is extended appropriately.

§ 7

Transfer of risk – documents

- Provided there is no other written agreement, delivery is to be free of charge.
- The supplier is obliged to quote our order number exactly on all shipping papers and delivery notes. If he fails to do so, delays in processing are unavoidable, for which we are not liable.
- We are only deemed to have defaulted on acceptance if we are responsible for the non-acceptance of the delivery or service.

§ 8

Execution

- Irrespective of the supplier's guarantee obligation, we have the right to inspect the production in the supplier's workshops at any time, to object to improper execution, and reject faulty parts. We are entitled to carry out checks in order to verify that the works are completed with the due accuracy and to schedule.
- Any necessary additions or amendments to drawings, calculations or other documents transfer to our ownership.
- The supplier is to notify us of the completion date within due time so that acceptance can be carried out in our presence. We have the right to carry out the trial operation at our own discretion and refuse acceptance if the manufacturing conditions are violated. In case of the justified rejection of parts of the delivery, we are entitled to use the parts delivered free of charge until an appropriate replacement is provided.
- Delivery and performance are to be so complete that reliable and safe operation with the parts delivered is guaranteed. Except for the guarantee, the contractual performance by the supplier is not deemed fulfilled until the date of acceptance.

§ 9

Appropriate defects liability

- The Vendor warrants that the Goods will be free from defects, i.e. in particular will conform to the descriptions contained in the Purchase Order, meet all properties and performances specified and be fully and safely operable for the purpose intended, conform to the latest accepted state of the art and economic and comply with the relevant technical documents, regulations, recommendations and guidelines.
- The warranty period shall be 24 months from acceptance of the overall plant in which the Goods are applied or incorporated, or in the event no such acceptance is applicable or foreseen, from taking the Goods into commercial use, but shall not exceed 36 months from acceptance or complete delivery of the Goods, respectively.
- In case defects of the Goods appear during the warranty period, the Vendor shall, at Buyer's option promptly remedy such defects, by repairs and/or replacements ("supplemental fulfilment"), in consultation with the Buyer, at Vendor's cost, including but not limited to, cost of material, labour, transport to the location of the Goods as well as cost of disassembly and re-assembly. For repaired or replaced parts the warranty period shall anew and shall terminate at the latest 18 months after the expiry of the original warranty period. If Buyer has notified Vendor specifying a reasonable period for fulfilment or supplemental fulfilment of the Purchase order and Vendor has failed to implement such fulfilment or supplemental fulfilment within such period, or if:
 - Vendor has seriously and conclusively refused owed fulfilment or the Purchase Order, or
 - supplemental fulfilment of the Purchase Order has failed, or
 - supplemental fulfilment would not be reasonable to the Buyer,

Buyer shall have the right, at its option,

- to perform or cause to be performed by third parties remedial work, and Vendor shall reimburse all costs incurred by the Buyer; the Buyer shall have the same right in case major damages would otherwise occur, or in case the operational safety of the plant is at risk;

- 3.2 to a reduction of the agreed price for the Goods pro rata to the reduction in value of the Goods by reason of such defect;
- 3.3 to be compensated for damages suffered due to such defects of the Goods except where such defect is not due to Vendor's fault;
- 3.4 to cancel the Purchase Order. The Buyer shall have the same right if there are special circumstances justifying the immediate cancellation of the Purchase Order under consideration of the mutual interest of the parties.

Cancellation of the Purchase Order shall be without prejudice to Buyer's right to claim compensation of damages suffered.

§ 10

Examination of defects – guarantee

1. We are obliged to check the goods within an appropriate time for any quality or quantity deviations. The notification of defects is on time provided it is received by the supplier within five work days in case of recognisable defects.
2. The supplier guarantees that the object of delivery does not exhibit any defects which impair its value or its suitability for the contractual purpose, and that it possesses the warranted characteristics, and corresponds with the recognised codes of practice, the latest official regulations, the valid safety requirements and the job safety and accident prevention regulations.
This applies correspondingly to services, in particular also assembly and maintenance works. The supplier's guarantee also covers the parts manufactured and the services performed by his subcontractors.
3. We are fully entitled to the statutory guarantee claims. Irrespective of this, we are entitled to demand remedy or replacement from the supplier at our choice. In this case, the supplier is obliged to bear all necessary expenses for the purpose of the remedy or replacement. The right to claim compensation for damages due to non-fulfilment is expressly reserved.
4. The seller's warranty amounts to 24 months calculated from the transfer of risk.
5. The payment of the purchase price does not imply any confirmation that the goods are free of defects.

§ 11

Product liability – exemption – liability insurance cover

1. In so far as the supplier is responsible for damage to a product, he is obliged to release us from third party claims for damages on our first request in so far as the cause lies within his domain and organisational scope and he himself is liable towards third parties.
2. Within this framework, the supplier is also obliged to refund any expenses in accordance with §§ 683, 670 of the German Civil Code (BGB) which are incurred through or in conjunction with a product recall carried out by us. We will inform the supplier of the content and scope of the product recall carried out - in so far as this is possible and feasible – in order to give him the opportunity to make a statement.
3. The supplier undertakes to take out product liability insurance with all - inclusive coverage of € 3 m per case of personal/material damage. These insurance claims are assigned to us on account of performance. Any further claims to compensation are not affected by this.

§ 12

Protective rights

1. The supplier vouches that the receipt of the delivery or service and its use by us does not violate any third party rights, in particular patent and licence rights.
2. The supplier is liable for all damage incurred by us or our customers through violation of such rights. He is to support us or our customers in any resulting proceedings either in or out of court and bear the cost of these.
3. Where applicable, we are entitled either to attain the necessary licence for commissioning, use, onward sale, etc. from the holder of the rights at the supplier's expense, or to withdraw from the contract, at our own choice.

§ 13

Reservation of title – provision – tools – secrecy – Access to suppliers

1. If we provide the supplier with tools, we retain the ownership of these. Processing or transformation by the supplier is effected for us. If our reserved goods are processed with other objects which do not belong to us, we acquire joint ownership of the new object in relation of the value of our object to the other objects processed at the time of processing.
2. If the object provided by us is inseparably combined with other objects which do not belong to us, we acquire joint ownership of the new object in relation of the value of our reserved goods to the other objects combined with them at the time of combination. If the combination is such that the supplier's object is to be seen as the main object, it is deemed as agreed that the supplier assigns us proportional joint ownership. The supplier keeps the objects of sole or joint ownership for us.
3. We reserve ownership of our tools. The supplier is obliged to use the tools exclusively for the production of the goods ordered by us. The supplier is obliged to insure the tools belonging to us at their replacement value against damage by fire, water and theft at his own expense. He is obliged to carry out any necessary maintenance and inspection works at his own cost and in due time. He is to inform us immediately of any malfunctions. If, through his own fault, he neglects to do so, our claims to damages remain unaffected.
4. The supplier is obliged to keep all illustrations, drawings, calculations and other documents and information strictly secret. The secrecy obligation also applies after completion of the contract.
5. Members of DRW Industrietechnik are to be allowed to get unhindered access to the production sites of our suppliers and their sub suppliers for inspection of our purchase orders.

§ 14

Official permits

If the scope of the delivery contains objects, the regulation and execution of which require official permits, for which we are to submit documents along with the supplier, the supplier is obliged to do everything necessary to produce the necessary documents.

§ 15

Place of performance and legal venue

1. In so far as this is not agreed to the contrary, the place of performance is our head office.
2. In so far as the purchaser is a registered trader, our head office is the legal venue. We are, however, entitled to sue the supplier at the court of his domicile.

Version: Mai 2012