



CEFEG GmbH, Chemnitz, Germany GENERAL TERMS AND CONDITIONS OF PURCHASE

As at June 2016

1. Scope of application

- 1.1. Our orders are governed solely by these terms and conditions of purchase. Provisions set by the supplier that conflict with or deviate from these are not valid unless expressly agreed by us in writing. Our terms and conditions of purchase also apply in cases where we accept the delivery or service without reservation in the knowledge that the supplier's terms and conditions are contrary to or deviate from our own terms and conditions. The absence of communication on our part shall always constitute rejection of supplier conditions.
- 1.2. In supplying the first delivery under these terms and conditions of purchase, the supplier acknowledges that all further orders will be solely governed by the same.

2. Orders/Obligation to check

- 2.1 Orders and contracts, and any amendments to the same, are only binding if they are issued or confirmed in writing (Section 126b German Civil Code (BGB)).
- 2.2 The supplier is obligated to check the feasibility of our purchase specification and any other information in our enquiry and to inform us immediately if it cannot be fully met.

3. Prices/Terms of payment

- 3.1 The prices stated in the order are binding, include delivery to the receiving location and unless otherwise agreed include all services and ancillary services including packaging excluding tax. Any price reductions in the period between order and delivery shall be to our benefit.
- 3.2 Unless otherwise agreed, payment terms are 10 days 3% settlement discount and 30 days net. The payment term will commence upon receipt of the complete delivery including the required accompanying documents such as delivery note, acceptance test certificate etc. and the verifiable invoice. If early deliveries are accepted, the due date shall be determined by the agreed delivery date.
- 3.3 Payments will be subject to proper delivery and the correctness of prices and calculations. If a defect covered by warranty is detected, we shall be entitled to withhold payment in proportion to the value of the products in question until the warranty obligation has been fulfilled.

4. Delivery

- 4.1 Unless otherwise agreed, the Delivered Duty Paid (DDP) delivery clause pursuant to Incoterms 2010 shall apply.
- 4.2 Where not agreed otherwise, short shipments are not permitted. Excess deliveries may not exceed 10% of the quantity ordered. In the event of short shipments and inadmissible excess deliveries we reserve the right to assert our contractual and legal rights.
- 4.3 The values determined during the incoming goods inspection for delivery dimensions, weights and quantities shall be binding.

5. Delivery times and dates

- 5.1 The delivery times and dates specified in the orders are binding. All agreed delivery dates are fixed dates. For the purposes of compliance, delivery dates or times are determined by the date or time shipments are handed over to us. Only at this point in time does the risk pass to us. Our arrival times for deliveries must be observed.



- 5.2 The supplier must inform us immediately in writing of any likely failure to meet delivery deadlines, stating the reasons for this and, if possible, giving the expected delivery date. Our rights in relation to delays in deliveries or services remain unaffected by the above duty to provide information.
- 5.3 We shall be entitled to refuse to accept goods that are not delivered on the delivery date specified in the order and to return them at the supplier's expense and risk or store them with third parties.
- 5.4 In the event of a delay in delivery, we shall be entitled to impose a contractual penalty in the amount of 0.3% of the net order value per working day, up to a maximum of 5% of the net order value. We shall be entitled to reserve the right to a contractual penalty until the goods in question have been paid for. Other rights relating to delays in delivery shall remain unaffected. The supplier's liability for damages also extends to any lump-sum damages and contractual penalties owed by us to our customer as a result of delays in delivery by the supplier, provided that such lump-sum damages or contractual penalty as are agreed with the customer are customary or, if they are not customary, that we have informed the supplier of these.

6. Material defects/Liability

- 6.1 Goods must comply with all agreed requirements, e.g. meet the order specification, and with good engineering practice and safety standards. This should be confirmed at our request by an EN 10204 3.1 acceptance test certificate. Changes to items delivered require our prior written consent.
- 6.2 We will check goods immediately upon receipt for obvious and visible discrepancies in terms of quantity and nature, and for transport damage. In the event that we have a complaint, the supplier shall bear the costs of inspection and of providing a replacement. For all types of defect, the deadline for lodging a complaint shall be 10 working days from the time of detection; this shall be deemed to have been met if notification is dispatched within this period. The thus supplier waives their right to object to late notification of defects.
- 6.3 We shall be entitled to the full extent of statutory rights in relation to defects. In particular, the supplier must, at our discretion, provide a replacement free of charge or remedy any defect free of charge. In urgent cases we shall be entitled - after consulting the supplier - to remedy any defects ourselves at the supplier's expense or to have them remedied by third parties or to procure a replacement from elsewhere. The same applies if the supplier defaults on the fulfilment of their obligations under the warranty. We expressly reserve the right to claim damages in full and to reduce the price in accordance with the statutory provisions.
- 6.4 Insofar as claims are made against us in relation to any potential infringement of third party rights, for instance copyright, patent rights or other industrial property rights, the supplier shall release us from this and from all services upon our first request. This shall not apply where the supplier has manufactured the items delivered according to drawings, models or other equivalent descriptions or information provided by us and does not know or is not required to know that the products developed by them infringe industrial property rights.
- 6.5 In as much as the supplier is responsible for a defect within the meaning of product liability law, they are obligated to release us upon our first request claims for damages by third parties, insofar as the cause lies within their control and organization and they are themselves liable in relation to third parties. This right to release also extends to expenses under with Sections 683, 670 of the German Civil Code (BGB) and Sections 830, 840, 426 of BGB arising from or in connection with any recall action undertaken by us or our customers. As far as it is feasible and reasonable, we will inform the supplier about the content and scope of any recall actions we are undertaking and give them the opportunity to comment.
- 6.6 The limitation period for claims relating to defects is 36 months from delivery. This period will be suspended if we notify the supplier of a defect. In this event, suspension shall conclude when the defect has been completely remedied or when the supplier refuses to fulfil their obligations; the limitation period shall then commence at the earliest three months after the end of the suspension. For replacements and repairs, the limitation period shall start again, unless the supplier has manifestly only fulfilled their obligations as a gesture of goodwill or to avoid a legal dispute.



- 6.7 Other legal rights shall remain unaffected.
- 6.8 The supplier must have liability insurance and product liability insurance to an appropriate level and to provide proof of this on request.

7. Duty of confidentiality

- 7.1 The supplier must treat all commercial and technical details not in the public domain that they become aware of through the business relationship as trade secrets.
- 7.2 Models, drawings, drafts, samples, matrices, templates, tools, manufacturing instructions, other manufacturing equipment and confidential information made available to the supplier by us shall remain our property. They may only be used for other purposes, duplicated or made available to third parties with our prior written consent; due commercial care must be exercised in relation to their storage and they must be returned without any request being made once the contract is completed.
- 7.3 Subcontractors must be subject to the relevant obligations.

8. Exclusion of liability

We and our employees, legal representatives and vicarious agents are not liable for damages incurred by the supplier. This exclusion of liability does not apply if an essential contractual obligation has been breached. Furthermore, the exclusion of liability does not apply to damages arising from harm to life, body or health that are based on an intentional or negligent breach of duty, nor to other damages that are based on an intentional or grossly negligent breach of duty.

9. Final provisions

- 9.1 Unless otherwise agreed, the place of performance and payment shall be our place of business. However, claims for defects must be dealt with at the location of the delivered goods in question.
- 9.2 The sole place of jurisdiction shall be the competent court for our place of business. Notwithstanding this, we shall also be entitled to bring action against the supplier before the courts with jurisdiction for the supplier's place of business.
- 9.3 The law of the Federal Republic of Germany shall apply.
- 9.4 Should any provision of these terms and conditions of purchase be or become invalid or unenforceable, this shall not affect the validity of the remaining provisions. The same shall apply if any other contractual agreement is or becomes invalid or unenforceable. A provision that comes as close as possible to the economic and legal intent of the invalid or unenforceable provision shall be deemed to have been agreed to replace any other invalid or unenforceable contractual agreement.