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

As at June 2020

1. Scope of application and general provisions

- 1.1. Our orders are placed solely on the basis of the following General Terms and Conditions of Purchase, Delivery and Payment (hereinafter referred to as "Terms of Purchase").
- 1.2. These Terms of Purchase apply exclusively to entrepreneurs, legal entities under public law or special funds under public law within the meaning of Section 310 (1) German Civil Code (BGB).
- 1.3. We hereby expressly object to any terms and conditions or order confirmations on the part of the seller (hereinafter referred to as the "Supplier") that conflict with or deviate from our own terms and conditions. We shall only accept supplements or deviations where we have agreed to them in writing. In this case, consent shall refer only to the individual transaction in question. The requirement for consent and our Terms of Purchase shall 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.
- 1.4. Individual agreements entered into on a case-by-case basis, including collateral agreements, supplements and amendments to the contract, shall take precedence over these Terms of Purchase. Subject to proof to the contrary, the content of such agreements shall be determined by a written contract or written confirmation from us.
- 1.5. Legally relevant contractual declarations and notifications by the Supplier must be submitted in writing or electronically. Any stricter statutory requirements relating to format shall remain unaffected by this provision.
- 1.5. In supplying the first delivery under these Terms of Purchase, the Supplier acknowledge that all further comparable orders will be solely governed by the same.
- 1.6. Any references to statutory provisions in our Terms of Purchase are made solely for the purpose of clarification.

2. Orders/Obligation to check

- 2.1 Our orders and contracts, and any amendments to them, shall be binding at the earliest from the submission of the declaration or confirmation in written or electronic form. The Supplier must notify us of any incomplete order or obvious errors so that these can be rectified.
- 2.2 The Supplier shall be obligated to confirm our orders in writing or electronic form within a period that is customary in the sector, usually within one week of receipt, or to execute them without reservation by shipping the goods. Delayed acceptance shall be deemed to constitute a new offer and must be accepted by us.
- 2.3 The Supplier shall be obligated to check the feasibility of our purchase specification and any other information in orders or offers and to inform us immediately if it cannot be met or can only partially be met.
- 2.4 The transfer of orders to third parties, or any associated assignment of Supplier claims against us or rights, shall require our prior written consent in order to be effective.



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3. Prices/Terms of payment

- 3.1 Prices stated in orders are binding, and include free delivery to the receiving location and statutory value added tax, unless this is shown separately or otherwise agreed. Prices include all services, collateral agreements and associated costs (in particular packaging, transport and insurance).
- 3.2 Unless otherwise agreed, accounts shall be presented in euros. Value added tax must be indicated separately on the invoice. The invoice must contain all relevant details pertaining to the order, in particular order number, date of order, contents of the delivery
- 3.3 Payments will be subject to proper delivery and the correctness of prices and calculations as well as proper accounting. We shall be entitled to offset and retention rights and to the right to the defence of non-fulfilment of the contract to the extent permitted by law. In particular, we shall have the right to withhold payment for as long as we are entitled to assert claims against the Supplier for incomplete or defective service.
- 3.4 Unless otherwise agreed, payment shall be made within 14 calendar weekdays with a 3% discount on the net amount of the invoice, or within 30 calendar weekdays. This term will commence upon our receipt of the full delivery including the required accompanying documents such as delivery note, acceptance test certificate etc. and a complete and verifiable invoice.
- 3.5 Where partial performance is accepted, payment claims shall only be made upon final performance, unless otherwise agreed. If early deliveries are accepted, the due date shall be determined by the originally agreed delivery date.

4. Delivery

- 4.1 Unless otherwise agreed, the Delivered Duty Paid (DDP) delivery clause pursuant to Incoterms 2010 shall apply.
- 4.2 Suppliers shall not be entitled to have services for which they are responsible rendered by third parties without our consent.
- 4.3 Delivery shall be free of charge within Germany to the delivery location agreed in the order. Where no other specific arrangements are agreed, orders shall be delivered to our registered office at Winkhoferstraße 3 in 09116 Chemnitz, Germany. Each individual destination is also the joint place of performance for delivery and any subsequent performance ("Bringschuld", or obligation to perform at creditor's habitual residence).
- 4.4 Deliveries shall be accompanied by an order form, a delivery note stating the delivery date and information on the contents of the delivery.
- 4.5 Liability for accidental loss or deterioration shall transfer to us when goods are handed over at the place of performance, i.e. generally when the order is handed over at our registered office. Where site acceptance test has been agreed, this shall determine the transfer of liability. The relevant statutory provisions on contracts for work and services shall also apply to site acceptance tests. In the event of any delay in acceptance on our part, this shall be deemed equivalent to handover or site acceptance.
- 4.6 We shall be entitled to reject excess deliveries or short shipments within the customary tolerance limits. Our prior confirmation in writing or electronic form shall be required for deliveries deviating by more than 5% from the amount ordered. We reserve the right to assert our contractual and statutory rights in the event of inadmissible short shipments or excess deliveries.
- 4.7 We are under no obligation to accept partial deliveries. To the extent that partial performance has been agreed, we may determine the sequence of the individual partial services.



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- 4.8 The values determined during the incoming goods inspection for delivery dimensions, weights and quantities shall be decisive.

5. Delivery times and dates

- 5.1 Delivery times stated by us in orders shall be binding, unless otherwise agreed. For the purposes of compliance, delivery dates or times shall be determined by the date or time shipments are handed over at the specified shipping address. 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 If the Supplier is in default, we shall be entitled to exercise our statutory rights, in particular to withdraw from the contract and/or to claim damages in accordance with the statutory provisions.
- 5.4 In the event of a delay in delivery caused by the Supplier, we shall furthermore be entitled to claim lump-sum default damages in the amount of 0.5% of the net invoice value per calendar working day, up to a maximum of 5% of the net invoice value. This amount shall be decreased or increased if we are able to prove the existence of higher damages or the Supplier is able to prove the existence of lower damages. Other claims resulting from delays in delivery shall remain unaffected by this provision.

6. Material defects/Liability

- 6.1 In the event of defects or other breaches of duty on the part of the Supplier, the statutory provisions shall apply unless otherwise specified below.
- 6.2 Goods must comply with all agreed requirements, and must in particular comply with the order specification, good engineering practice and safety standards. This should be confirmed at our request by an EN 10204 3.1 acceptance test certificate.
- 6.3 With regard to the commercial duty to inspect and submit complaints, statutory regulations (Sections 377, 381 German Commercial Code (HGB)) shall apply with the following proviso: Our duty to inspect is limited to defects that become evident during external examination, including of delivery documents in the context of our incoming goods inspection (e.g. transport damage, incorrect deliveries and short shipments) or which become apparent during spot checks as part of our quality control procedures. Where a site acceptance test has been agreed, there is no obligation to inspect. Apart from that, the extent to which inspection is feasible in the ordinary course of business shall depend on the circumstances of individual cases. Our duty to lodge complaints in the event of defects discovered at a later stage remains unaffected. Irrespective of our duty to inspect, our notification of defects shall in any case be deemed to have been prompt and timely if it is sent within five working days of detection, and in the case of obvious defects, within five working days of the agreed handover to us.
- 6.4 In the event of defects, the Supplier shall, at our discretion, either immediately deliver a new contractual product free of defects or repair the defective item, unless this is impossible or unreasonable. Our further rights on the grounds of poor performance remain unaffected by this provision. Should it transpire that no defect in fact existed, the Supplier shall also bear the cost of any outlay required for the purpose of inspection or the provision of remedy. Our liability for damages shall remain unaffected; however, we shall only be liable to the extent that our failure to recognise that no defect existed results from intent or gross negligence.
- 6.5 Without prejudice to our statutory rights and the provisions of 6.4, the following shall apply: We may remedy the defect ourselves, have it remedied by third parties, procure a replacement elsewhere or demand advance payment for remedying the defect if, at our request, the Supplier does not comply with their obligation to provide remedy within a reasonable period of time. If the Supplier has failed to provide remedy or the remedy is unacceptable to us (for example due to particular urgency,



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endangering of operational safety or imminent occurrence of disproportionate damage), no deadline need be set; we shall inform the Supplier of such circumstances immediately, if possible in advance.

- 6.6 Furthermore, in the event of a material defect or defect in title we shall be entitled to reduce the purchase price or to withdraw from the contract in accordance with the statutory provisions. We shall also be entitled to compensation for damages and expenses in accordance with the statutory provisions.

7. Statute of limitations

- 7.1 The mutual claims of the contracting parties shall become time-barred in accordance with the statutory provisions, unless otherwise stipulated below.
- 7.2 Notwithstanding Section 438 (1) no. 3 of the German Civil Code (BGB), the limitation period for claims in respect of defects is three years from the transfer of risk. Where a site acceptance test has been agreed, the limitation period shall commence upon acceptance. The three-year limitation period shall also apply to claims arising from defects of title; the statutory limitation period for third party claims in rem to recover property (Section 438 (1) no. 1 German Civil Code (BGB) remains unaffected.
- 7.3 Insofar as we are also entitled to assert non-contractual claims for damages relating to defects, the standard statutory limitation period of three years, including the regulations concerning the start of said period, shall apply, unless the limitation periods from warranty rights gives rise to a longer limitation period in individual cases.
- 7.4 For replacements and in the case of rectification, the limitation period shall re-start, unless the Supplier has manifestly only fulfilled their obligations as a gesture of goodwill or to avoid a legal dispute. In the case of rectification, the limitation period shall only re-start in respect of the specific defect.

8. Product Liability/Recall/Insurance

- 8.1 Inasmuch 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 from claims for damages by third parties, insofar as the cause lies within their control and organisation and they are themselves liable in relation to third parties. This right to release also extends to expenses under 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. Further statutory entitlements shall remain unaffected by this regulation.
- 8.2 The Supplier is obligated to maintain product liability cover with an appropriate sum insured in respect of each individual case, and as a minimum in the amount of EUR 2.0 million per case of personal injury/property damage - lump sum - and to provide us with proof of this on request. Our right to assert claims exceeding the amount insured shall remain unaffected.

9. Duty of confidentiality and property rights

- 9.1 The Supplier must treat all of our commercial and technical details that are not in the public domain and that they become aware of through the business relationship as trade secrets.
- 9.2 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 these and from all related services upon our first request and shall reimburse us for all reasonable costs incurred in defending or attempting to defend against such claims. This shall not apply if the Supplier has not acted culpably.



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- 9.3 In order to counteract liability risks, the contracting parties undertake to inform each other immediately upon becoming aware of potential risks of infringement or breaches of property rights.

10. Retention of title

- 10.1 We retain property rights and copyright to models, drawings, drafts, samples, matrices, templates, tools, manufacturing instructions, other manufacturing equipment and confidential information made available to the Supplier by us. In particular, they shall remain our property and may be used for purposes other than those contractually agreed, duplicated or made available to third parties only with our prior written consent. They must be stored with due commercial care and returned without any request being made once the contract is completed. Subcontractors must be subject to the relevant obligations.
- 10.2 The transfer of ownership of the goods to us must be made unconditionally and without regard to payment. If, however, individual cases arise where we accept an offer of transfer of ownership from the Supplier on condition of payment, the Supplier's retention of title shall expire at the latest upon payment of the purchase price for the delivered goods. In the ordinary course of business, including before the purchase price has been paid, we shall continue to be authorised to resell the goods and assign the resulting claim in advance (or alternatively, extend the simple retention of title to resale). This in any event excludes all other forms of retention of title, in particular expanded retention of title, forwarded retention of title and retention of title extended to further processing.

11. Exclusion of liability

- 11.1 Claims for damages by the Supplier are excluded, unless otherwise specified below. The exclusion of liability shall also apply in favour of our legal representatives and vicarious agents.
- 11.2 Claims for damages due to injury to life, body and health, and claims for damages resulting from the violation of material contractual obligations are excluded from the exclusion of liability defined in Section 11.1. Material contractual obligations are those which must be fulfilled in order for the objective of the contract to be achieved (in particular payment of the purchase price). Liability for damages resulting from an intentional or grossly negligent breach of duty by us, our legal representatives or vicarious agents is also excluded from the exclusion of liability.
- 11.3 The provisions of the Product Liability Act shall remain unaffected.

12. Final provisions

- 12.1 Unless otherwise agreed, the place of performance and payment for both parties is our place of business. However, claims for defects must be dealt with at the location of the delivered goods in question in accordance with their intended use.
- 12.2 The sole place of jurisdiction shall be the competent court for our place of business, provided that the Supplier is a merchant or a legal entity under public law or a special fund under public law. Notwithstanding this, we shall also be entitled to bring action against the Supplier before the courts having jurisdiction for the Supplier's place of business.
- 12.3 The law of the Federal Republic of Germany shall apply, with the exclusion of the UN Convention on the International Sale of Goods.
- 12.4 Should any provision of these Terms of Purchase be or become invalid or unenforceable, this shall not affect the validity of the terms separable from these and of the contract as a whole. The same shall apply should any other contractual agreement be or become invalid or unenforceable. A provision that comes as close as possible to the commercial 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.