



Titel: Terms & Conditions of Purchasing

1. General

- 1.1. All our current, and also future, purchase orders and contract conclusions shall be governed by no others than these Terms & Conditions of Purchasing. No amendment to these Terms & Conditions will become effective unless confirmed by us in writing.
- 1.2. Vendor conditions being contrary to or deviating from our Terms & Conditions of Purchasing will not be accepted. Our Terms & Conditions of Purchasing shall also apply if we, in knowledge of such vendor conditions contrary to or deviating from our Terms & Conditions of Purchasing, accept the delivery unconditionally.
- 1.3. These Terms & Conditions of Purchasing shall only be applicable to merchants, legal persons of public law, and public special property as contemplated by § 310 sub-paragraph 1 of the *BGB* (the German Civil Code).

2. Offer, Order Handling

- 2.1. Vendor, in its offer, shall exactly follow the enquiry. In case of any deviation, vendor shall notify us thereof explicitly. All offers shall be delivered free of charge.
- 2.2. Our purchase orders and requisitions from contracts (hereinafter referred to as „Orders“) will basically be issued in writing. Their delivery by facsimile and remote data transmission shall be applicable accordingly. Orders issued orally will be confirmed in writing without any delay.
- 2.3. Vendor shall be obligated to confirm our order promptly. In case of short-term orders (with a delivery time of up to ten [10] working days) such confirmation shall be given within two days, otherwise within one week.
- 2.4. On all confirmations, delivery notes, invoices and other communications, our purchase order number, including the operative employee's ID, must be shown clearly.
- 2.5. All deliveries shall have enclosed a delivery note, which our purchase data as well as the delivery quantity and the exact designation of the goods can be identified from.
- 2.6. The drawings, construction and testing manuals as well as our packaging and shipment regulations (safety declaration) handed over to the vendor in connection with our purchase orders shall form part of the purchase order. If our purchase orders, the possibly associated drawings, and other fabrication specifications do not prescribe any definite and exactly designated materials or fabrication procedures, then the vendor shall be liable in full extent for the selection of the materials and the fabrication procedure applied.
- 2.7. Vendor shall notify us in writing of any modification in the composition of the material used or in the constructive design as compared with similar previous services rendered prior to the beginning of manufacture and performance of the work. Such modifications shall be subject to our prior consent in writing.
- 2.8. We reserve both property and copy rights in relation to the figures, drawings, calculations and other documents passed to the vendor. They shall be used for fabrication purposes on the basis of our purchase order exclusively. After order handling, they shall be returned to us unsolicitedly. They shall not be made accessible to third parties unless our rights are observed. Vendor shall guarantee that no third party will violate our rights.
- 2.9. All modifications of and amendments to our Orders as well as other agreements shall not be effective unless they are made out in writing or confirmed by us in writing.

3. Prices, Freight, Packaging, Insurance

- 3.1. The price shown in the purchase order shall be binding. Unless not agreed otherwise, all prices shall be considered as being fixed prices. They include the shipment and packaging costs, taxes, customs fees, commissioning costs, fees as well as other levies and expenses. Delivery shall be made free on receiving terminal. Vendor shall bear the risk of shipment.
- 3.2. Unless agreed in writing, we shall not accept any cost of insurances.

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4. Terms of Payment

- 4.1. Invoices shall indicate our purchase order number (purchase data). Invoices submitted without our purchase order number will be deemed as not issued and not payable until clarification or completion by vendor.
- 4.2. We are entitled to both setoff and retention rights as they are provided for by law.
- 4.3. Payment will, but not before delivery/performance of work, be effected within fourteen (14) days after receipt of invoice with two percent cash and strictly net within thirty (30) days after receipt of invoice.
- 4.4. Any assignment to third parties shall be subject to our written consent.
- 4.5. We will accept default interest in a maximum amount of five percent (5%) above the basic interest rate.

5. Delivery Dates

- 5.1. The delivery date stated in the purchase order shall be binding and observed unconditionally. Should vendor not observe a delivery date agreed upon, vendor will be in default without communication of any reminder. We shall be notified of foreseeable defaults in delivery without any delay. The delivery to the destination specified by us shall be decisive for the observance of the delivery date.
- 5.2. After occurrence of default, we shall grant vendor a reasonable period of grace. Should vendor fail to deliver within such period of grace, we shall have title to withdraw from the contract and claim damages instead of the performance of the work. Besides, we shall, as of default occurrence, be entitled to claim a penalty amounting to a half percent (0.5%), but not to more than ten percent (10%), of the net value of the delivery per completed week each. As far as we claim damages instead of the performance of the work, such penalty will be credited therewith.
- 5.3. Partial or premature deliveries shall only be allowed after having obtained our prior consent in writing. Such deliveries shall not be capable of obligating us to partial or premature payment.
- 5.4. Should any force majeure, which also includes strikes and lockouts, hinder us to accept the goods, such term of delivery/acceptance shall be extended accordingly. If, due to such force majeure, the work has ceased to have any business value for us, we shall be entitled to rescind from the contract by means of a written statement.
- 5.5. The acceptance of defaulted deliveries or works shall not imply any waiver in relation to further claims.

6. Warranty

- 6.1. Vendor shall unrestrictedly be liable for defects of the delivery in conformity with the legal regulations and, in particular, for any and all secondary defect damages. Should any of our customers advance a claim on us due to defects in a delivery, which can be put down to defects in the goods delivered to us, vendor shall be obliged to release us from warranty. Such release shall not be applicable to the extent in which vendor can prove that we have caused the defect co-responsibly.
- 6.2. In case of hidden defects, our defect-based claims shall become statute-barred three (3) years after delivery of the good. Besides, the legal period of limitation shall apply. Should we notify the vendor of any defect, the warranty period for the whole delivery or batch, which the defective good stems from, shall be suspended. The warranty period will restart when the vendor either disputes in writing the presence of defects or advices in writing completion of defect removal. In case of supplementary performance by way of delivery of a flawless good, a new warranty period according to sentence 1 shall be applicable to the redelivered products.
- 6.3. Unless not agreed with vendor otherwise, we are obliged to inspect the goods and open the packagings by way of a random sampling only. All defects that cannot be identified from the packaging or during random sampling shall be deemed as constituting hidden defects. Notice of defect shall be considered as having been given in good time if we despatch such notice within ten (10) days after receipt of the goods, or, in case of hidden defects, within ten (10) days after their identification.
- 6.4. As far as specific evidence of unsatisfactory deliveries is available, we shall be entitled to examine the goods for their suitability by ourselves or have them examined by a technical testing institute.

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- 6.5. The acceptance and further processing of goods being defective or under the suspicion of having defects, shall not exclude warranty claims against vendor if we advice vendor in writing that we are compelled to further process these goods transitionally in order to be able to meet our own delivery obligations towards the customers and to prevent bigger damage. Should we, in such case, incur costs due to increased assembly efforts or repair or improvement work during further processing, vendor shall reimburse us such costs against presentation of evidence.
- 6.6. In case of defective performance, we may, at our own discretion, require the removal of the defect or the delivery of a defect-free product. Reworked or redelivered products shall be marked as such upon delivery. Should the defect not be removed or the defect-free product not be delivered within ten days after receipt of the written request, we shall be entitled to have the defects removed by a third party on vendor's account, to procure a replacement otherwise or to rescind from the contract. All other legal claims shall remain unaffected therefrom.
- 6.7. If the same product is delivered with defects repeatedly, we, after submission of a written reminder by threatening to withdraw from the contract completely, shall, in case of another faulty delivery, have title to rescind from the contract for the not yet fulfilled scope of delivery as well or to claim damages instead of performance of the work. There will be no claim for damages if vendor can prove absence of fault. Vendor shall be liable for its sub-contractors accordingly.
- 6.8. Should we be claimed on because of the violation of official safety regulations or by virtue of no-fault liability pursuant to national or international laws (product liability), vendor shall release us from liability upon first request to the extent in which vendor would also be liable directly. Such obligation to release shall, by corresponding application of §254 of the BGB, not be effective to the extent in which vendor proves that we have contributed to the cause or fault of liability. Our release and recourse claims due to such product liability shall not become statute-barred unless claims by third parties towards us have become statute-barred.

7. Third Party Industrial Property Rights

- 7.1. Vendor represents that the delivery of the goods and their usage by us do not violate any third party patents or other industrial property rights. Should any third party claim on us because of any violation of industrial property rights, vendor shall be obliged to release us from any and all third party damage claims upon first request and to reimburse us the expenses required for legal defence.

8. Supplier declaration

- 8.1 Prior to initial delivery, Supplier shall ensure that we receive a long-term supplier's declaration with preferential origin status for the current calendar year without request. The long-term supplier's declaration shall be sent to us at the beginning of each year without request. If changes arise during the course of the calendar year that are the basis of the long-term supplier's declaration, we are to be notified immediately to that effect.
- 8.2 Supplier promises to enable inspection of certificates of origin by the customs authorities and both furnish any information necessary to that end and also provide any necessary official confirmations.
- 8.3 Supplier promises to reimburse us for the loss that we incur from the stated origin not being accepted due to an incorrect certificate or the responsible authorities not being able to verify the same. The liability shall however be subject to culpable behavior.

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9. Export/import regulations

- 9.1 Proofs of origin requested by SEHO shall be made available by the supplier with all required data and without delay. The same applies to VAT-related proofs for international and intra-Community deliveries.
- 9.2 The supplier shall inform SEHO without delay if a delivery is subject to or partially subject to export restrictions
- 9.3 The supplier guarantees adherence to the "secure supply chain" regulations as they are defined in Council Regulations 2580/2001 and 881/2002. In particular, this means that the supplier ensures that goods to be produced, stored or made available for transport are only produced and stored at secure production facilities, that transport is secure, that the goods are protected from unauthorised access and that the personnel handling these goods have been trained accordingly. The supplier shall also inform business partners of these obligations.
- 9.4 The supplier agrees to adhere to all applicable export/import regulations and any associated embargo regulations, embargos or sanctions. For this pupose, the supplier ensures, by means of suitable organisational measures, that the regulation of the EU in particular and, to the extent applicable, the corresponding US regulations are taken into account.

10. Social Responsibility and Protection of the Environment

- 10.1 The supplier shall comply with the respective statutory provisions governing the treatment of employees, environmental protection and health and safety at work and to work on reducing the adverse effects of its activities on human beings and the environment. In this respect the supllier shall set up and further develop a management system in accordance with ISO 14001 within the realms of its possibilities. Further, the supplier shall comply with the principles of the UN Global Compact Initiative relating basically to the protection of international human rights, the right to collective bargaining, the abolition of forced labor and child labor, the elimination of discrimination when personel is engaged and employed, the responsibility for the environment and the prevention of corruption.

11. Retention of Title, Tooling

- 11.1 No retention of title by vendor will become part of the contract unless such retention of title ceases to exist upon payment of the agreed price for the conditional commodities and we are authorised to resale and further processing in the proper course of business. Any further retention of title by vendor will not be accepted.
- 11.2 As far as we provide vendor with parts, we reserve title thereto. Any processing or reconstruction thereof by vendor will be done for us. Should our conditional commodities be processed by using other means that are not our property, we shall acquire co-ownership in the new item by the proportion of the value that our item has in relation to the other processed objects at the time of processing. Vendor shall hold these items in safe custody for us.
- 11.3 All drawings, gauges, models, tools, and the like made available to vendor shall remain our absolute title and be marked accordingly. Vendor shall be obliged to insure them by their replacement value against damage and theft in our favour and to provide us with evidence for the existence of such insurance. Vendor shall regularly maintain and repair the tools on its own account. When the tools are returned, they have to be in flawless technical and visual condition. Repair costs shall be borne by vendor. After termination of contract, the tooling shall be returned to us unsolicitedly. Drawings shall be destroyed, if appropriate.

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- 11.4 The tooling shall not be made accessible to any third party or used or realised otherwise unless consented by us in writing. The same shall apply to the products fabricated by means of such tooling.
- 11.5 In case of delivery problems, we shall be entitled to request the free of charge return of the drawings, gauges, tools, etc. made available to vendor in accordance with sub-paragraph 8.1 without any right of retention by vendor thereto

12. Legal Venue, Place of Fulfilment

- 12.1 For merchants, legal persons of the public law and public special property, Kreuzwertheim shall be the place of fulfilment and Wuerzburg the legal venue for all disputes arising from the business relation. We shall, however, also be entitled to file lawsuits at vendor's seat.
- 12.2 These Terms & Conditions of Purchasing and the entire legal relationships between us and vendor shall be governed by the law of the Federal Republic of Germany. Application of the United Nations Convention on Contracts for the International Sale of Goods shall explicitly be excluded pursuant to Article 6 of the CISG.
- 12.3 Should individual clauses prove to be invalid wholly or partly, the effectiveness of the remaining clauses or remaining parts of such clauses shall remain unaffected therefrom. Instead, the legal regulation shall apply.

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