

## **Conditions of Purchase**

### **I. Offer and conclusion of contract**

1. These conditions of purchase shall apply for orders placed by us. If our suppliers have terms and conditions of sale and supply which deviated from our terms of purchase, they shall not place us under any obligation even in those cases in which we do not expressly object to them.

2. Supply contracts and delivery call-offs as well as amendments and supplements must be made in written form. If statements are transmitted by electronic means, the requirement for written form shall also be satisfied even if there is no electronic signature within the meaning of German Civil Code (BGB) Section 126/a. If the supplier does not accept the order placed by us within 8 days from receipt, we shall consequently be entitled to revocation.

### **II. Delivery and acceptance**

1. Consignments deliveries must be supplied on time and comply with our order or calloff in terms of type, quantity and allocation. The figures ascertained by us when the goods are checked at our goods inwards department for unit quantities, dimensions and weight shall apply. Should it be agreed that test certificates are to be issued, the consignment shall consequently only be regarded as having been fulfilled in all respects in those cases in which these certificates have been submitted to us. We shall not be obliged to accept partial consignments and excess consignments unless they have been agreed.

2. Packing must include information at highly visible points making it possible to specify the precise contents by item type and quantity in accordance with normal commercial practice. The packing and goods do not have to include a reference to the supplier unless the transport packing is disposable or an agreement has been made otherwise. We shall reserve the right to return goods not complying with these requirements and to charge the supplier the additional costs incurred to ensure that the packing does comply with the requirements of this clause. Therefore we refer to „Transportation and packaging requirement“.

3. If the agreed delivery dates are not observed, the supplier shall have to compensate us in line with statutory regulations for losses incurred as a result of delays. Default in delivery shall occur in those cases in which the goods arrive after a delivery period has expired when a delivery date has been agreed. We shall be entitled to withdraw from the contract or to demand compensation for damages instead of performance once a period of eight days has elapsed from the agreed delivery date. In the event that the transaction is a fixed transaction within the meaning of the German Civil Code (BGB), we shall be entitled to withdraw from the contract immediately even without a subsequent period of time having to elapse following a fixed delivery date.

### **III. Defective consignments - warrenty**

1. We shall be entitled to notify defects within 5 days from receipt of the goods and if the defects are concealed, within 5 days from their discovery. It shall suffice for the notification to have been sent on time for the specified period of time to be satisfied. If the supplier does not fulfil our request to rectify the defect within a reasonable period of time set by us, or if the defects are minor, we shall be entitled to have the defects rectified at the supplier's cost or to cover our requirement from another source at the supplier's expense if we have no other options.

In urgent cases we shall, after informing the supplier, likewise be entitled to the named rights to avert disproportionately large damage. We shall forward to the supplier a report on the type and extent of the defect

and the repair work carried out. The statutory provisions shall apply provided that no particular arrangements have been agreed with regard to the warranty.

2. Goods failing to comply with the contract shall be returned at the supplier's cost and risk. The costs incurred shall be calculated at the same time. If consignments are repeatedly delivered without being in compliance with the contract, we shall consequently be entitled to withdraw from the contract. The statutory provisions shall apply for the periods covered by warranty. If parts are repaired or replaced, the period covered by warranty shall be extended by the period of time taken to carry out the repair or supply a replacement.

#### **IV. Freight, packaging, insurance and passing of risk**

Consignments are to be delivered by agreed incotrem. If consignments are to be delivered "ex Works", risk shall pass over to the Buyer. Otherwise the supplier shall bear the transport costs including packing and freight as well as the risk of despatch. Our standard agreed trade terms are the 1990 edition of Incoterms.

a) for dispatch by post, express and by rail as smalls, when the materials are handed in to the post office or railway station

b) for dispatch by lorry or railway waggon, at the point in time at which proper loading on the means of transport has been properly completed

#### **V. Payment**

1. Payments will be made within the agreed payment period to qualify for an agreed prompt payment discount. The payment period shall begin once we have taken delivery of the goods and we have not expressed any reservations and we have received and verified the invoice.

2. The supplier is not allowed to assign his claims against us or to have them collected by third parties without our consent.

#### **VI. General assignment**

1. We shall recognise an ordinary reservation of title by the supplier

2. General Terms and Conditions of Business and all legal relationships between us and the supplier shall be governed by the law of the Federal Republic of Germany. No international and supra-national (contractual) legal systems and in particular the Vienna Convention on the International Sale of Goods dated 11 August 1980 (CISG) shall apply.

3. The place of fulfilment for all obligations shall be Hövelhof, the place of jurisdiction shall be Paderborn. This shall also apply for proceedings restricted to documentary evidence and for proceedings based upon a bill of exchange or cheques.

4. Should a provision in these terms and other agreements entered into be or become invalid, the validity of the remainder of the contract shall not be affected as a result