



## **General Conditions of Purchase of Süddeutsche Gelenkscheibenfabrik GmbH & Co. KG**

### **1. General Scope**

Our conditions of purchase shall apply exclusively; general conditions of our suppliers shall only become part of this agreement if approved by us in writing.

### **2. Purchase Order and Order Confirmation**

#### **2.1.**

No purchase orders shall be binding for us without our prior written confirmation. Unless expressly agreed otherwise, our subsequent General Terms and Conditions of Purchase shall form an integral part of every contract accomplished with our confirmation.

#### **2.2.**

If the supplier modifies our order, a contract shall only be accomplished if we do not object to the modification within one month. Any modification or supplement shall only become effective if in written form.

#### **2.3.**

Our order confirmation and/or the delivery of the ordered goods shall constitute our consent to our General Terms and Conditions of Purchase forming an integral part of the contract.

#### **2.4.**

For every order, the supplier shall send us an order acknowledgement with binding delivery date within three working days. Until reception of the order confirmation we shall remain entitled to withdraw from our contract without giving reasons.

The revocation shall not give rise to any legal claim whatsoever for the supplier.

#### **2.5.**

Every confirmation shall have to refer to date and number of our order.

### **3. Delivery date**

#### **3.1.**

The delivery date indicated on the order shall be binding.

#### **3.2.**

The supplier is bound to advise us immediately in writing about any circumstances that occur or that he becomes aware of and that may lead to an exceedance of the agreed delivery date.

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## **3.3.**

In case of delay in delivery we shall be entitled to assert our legal claims. In particular, we shall, after fruitless expiry of a reasonable period, be entitled to claim damages and rescission in place of the outstanding delivery.

## **4. Transfer of title**

The supplier reserves the right of ownership of the delivered goods until complete payment of the invoice. On settlement of the invoice the right of ownership of the goods shall pass onto us.

## **5. Prices**

Unless otherwise agreed in the order, prices shall be fixed net prices. They are quoted freight prepaid to the address designated by us and include all cost for packaging, insurance and other expenses.

## **6. Product changes**

The supplier shall advise us in due time about any product changes and model innovations. Existing stock may have to be exchanged against follow-up models.

## **7. Delivery**

### **7.1.**

Dispatch and/or delivery shall be carried out at cost and risk of the supplier to the address given by us. The supplier shall be liable for all cost as caused by the non-compliance with these regulations.

Opening hours for all points of receipt:

Monday through Friday: from 07:00 h – 12:00 h

Monday through Thursday: from 12:45 h – 16:00 h

### **7.2.**

Fault of acceptance is excluded on our side for Acts of God, measures of higher authorities, strikes, civil disorder and other disruptions of operations, that we cannot rectify with reasonable effort.

## **8. Payment**

### **8.1.**

We shall pay all invoices in line with the agreed terms of payment.

### **8.2.**

Payments shall be made under reserve. No payment shall constitute an acceptance of the supplier's conditions and terms of sale or shall constitute a confirmation that a delivery has been made according to the regulations.

### **8.3.**

We are trying hard to meet the terms of payment. The prerequisite, however, is that the invoices are sent to the correct invoice address and bear all information required for a proper examination. Cash discount periods shall begin at the date of the reception of the invoice in our house, under the assumption that the goods have already been received.

### **8.4.**

Offsetting of our receivables from deliveries against supplier's receivables shall be permissible in whole and without restriction at any time.

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## **8.5.**

SGF shall not refund cost for visits, for the preparation of offers, drafts and projects or other preparatory work.

## **9. Ban of assignment**

No rights and obligations arising from a contractual relation with us may be assigned or transferred to third parties without our written consent.

## **10. Warranty**

### **10.1.**

Unless otherwise agreed in the following, the warranty shall apply in accordance with the legal provisions

### **10.2.**

In reference to SGF's quality assurance agreement it is hereby agreed that the supplier shall carry out quality inspections regarding hidden defects, exclusive of inspection for damage in transport and random incoming goods inspections.

That is why a notice of defects shall be deemed to be in due time if it reaches the supplier within five working days as of detection of the defects in our or in our customer's plant.

### **10.3.**

The statutory claims apply to us in full; In all cases we shall be entitled to request from supplier at our own option rectification of deficiency or delivery of a new product. The right to claim for damages, especially the right for compensation instead of service, shall be reserved expressly.

### **10.4.**

Unless otherwise provided by the legal provisions, the period of warranty shall be 36 months, and it shall begin at the date of reception of the goods.

### **10.5.**

A wrong delivery shall also be deemed a damage in terms of the above.

## **11. Product liability, exemption, insurance**

### **11.1.**

To the extent the supplier is liable for damage to product, defect as to quality or defect in title he shall exempt us from third parties' claims for compensation upon first request in so far as the cause lies in his dominion or organizational domain and he himself assumes liability in business relations with third parties.

### **11.2.**

Supplier's liability for damages in terms of sect. 11.1 shall include the refund of possible expenses acc. to §§ 683, 670 BGB or acc. to. §§ 830, 840, 426 BGB (German Civil Code) resulting from or in conjunction with a product recall we must carry out. We shall inform the supplier about content and extent of the necessary recall actions – as possible and reasonable – and give him opportunity to comment. Any other claims for damages in excess thereof shall remain unaffected.

### **11.3.**

The supplier shall provide adequate product liability insurance. Any claims for damages that we may have in excess thereof shall remain unaffected.

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## **11.4.**

The supplier shall indemnify us in in-house relations against any claims for damages of third parties resulting from infringements of industrial properties for which the supplier is held responsible.

## **12. Returns**

If we return rejected or defect goods to sender, the return transport shall be at supplier's cost and risk. The equivalent of the return shipment shall be charged to supplier's account.

## **13. Rescission of contract**

We shall be entitled to rescind the contract in whole or in parts, if the supplier's credit worthiness deteriorates in such manner that the fulfillment of the contract is in jeopardy. However, no legitimate claim shall arise from such rescission for the supplier.

## **14. Period of termination**

Supplier shall be entitled to termination effective as of the end of the (calendar) year, subject to a twelve-months notice period.

## **15. Confidentiality and non-disclosure**

The suppliers commit themselves to confidentiality concerning all information acquired with regard to SGF, especially relating to plans, production, projects, goods, agreements, and so on.

## **16. General Provisions**

Should any part of these Terms and Conditions of Purchase be or become invalid for any reason, this will not affect the validity of the other provisions. The invalid provision shall be replaced by a ruling that is as close as possible in economic purpose to the invalid provision in a legally effective and practicable form.

## **17. Place of performance, place of jurisdiction, applicable law**

### **17.1.**

Place of fulfillment is the point of receipt as indicated on our order.

### **17.2.**

Place of jurisdiction for all legal disputes occurring from this contract is Mühldorf or Traunstein (depending on the amount in controversy).

### **17.3.**

It is agreed that the law of the Federal Republic of Germany shall apply to the exclusion of the UN Convention on the International Sale of Goods (CISG)

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