



**PURCHASING CONDITIONS** SBS Feintechnik GmbH & Co. KG and KBS Spritztechnik GmbH  
at 2010

**1. GENERAL – SCOPE OF APPLICATION**

Our purchasing conditions shall apply exclusively; we do not recognize suppliers' purchasing conditions which are contrary to or deviate from these unless we have given express agreement in writing to their application. Our purchasing conditions even apply if, in the knowledge of such supplier conditions that are contrary to or deviate from our purchasing conditions, we accept the supplier's delivery without reservation or pay for it.

All agreements reached between us and suppliers with the objective of executing this contract must be in writing. Orders and delivery schedules may also occur by fax or e-mail.

**2. OFFER – OFFER DOCUMENTATION**

The supplier's acceptance of our order must occur within a period of 2 weeks. Until the supplier's declaration of acceptance is received, we are entitled to cancel orders at any time

We reserve the right of ownership and copyright on diagrams, drawings, calculations and any other documentation. They are to be used exclusively for production based on our order: once the order has been dealt with, these are to be returned without delay. They must not be made accessible to third parties and are to be treated as confidential in relation to any third party. Before passing them to third parties, the supplier must have our express written permission.

Written quotations drawn up by the supplier are binding and are not paid for by us

**3. PRICE, DELIVERY AND PAYMENT CONDITIONS**

The price stated in the order is binding. In the absence of any other written agreement, the price includes 'carriage paid' delivery, including packaging. Return of packaging requires special agreement. Unless otherwise agreed, statutory VAT is included in the price.

We can only process invoices if, in accordance with the requirements laid down in our order, they contain the order number quoted there; any consequences arising from not adhering to this obligation are the responsibility of the supplier.

Payment will be made in each case on the 10th of the month following delivery and receipt of the invoice with 10% discount reduction. Payment is made subject to invoice verification.

The time allowed for payment begins as soon as the delivery or service has been delivered in full and the properly drawn-up invoice has been received. A deduction for cash discount is also allowable if we withhold offset amounts or payments on account of defects; the time allowed for payment in this case begins following full removal of the defect.

We are entitled to rights of lien and set-off in accordance with the law.

Excess or short deliveries of any extent are only permissible if this has been especially agreed upon



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determination of the order volume. If we accept excess deliveries, we are not obliged to pay for the over-delivered elements.

#### 4. DELIVERY TIME

The delivery time given in the order together with agreed dates and periods, are binding.

The supplier is obliged to inform us without delay and in writing if circumstances arise or become known to him which mean that the agreed delivery time cannot be complied with.

Should the agreed delivery times not be met, we are entitled without prejudice to other legal rights, to withdraw from the order and/or to claim compensation and/or to procure replacements from third parties. Acceptance of a late delivery or service does not represent a waiver of the right to claim compensation.

In the case of late delivery, we have the right to demand a lump sum for damages caused by delay in the sum of 1% of the order value per complete week, but not more than 10%; we reserve the right to make further legal claims. The supplier has the right to provide evidence to us that as a result of the delay, no damages or a fundamentally lesser amount have arisen.

If we are in default of acceptance or debtor's delay, the supplier's claim for compensation for reimbursement of expenses is restricted to 0.5% of the order value per complete week, provided the delay is not caused by intent or gross negligence.

#### 5. TRANSFER OF RISK - DOCUMENTS

Unless otherwise agreed, the delivery shall be carriage paid.

The supplier is obligated to enter our order number precisely on all dispatch papers and delivery notes; should he fail to do this, delays in processing are inevitable, for which we cannot be held responsible.

#### 6. INSPECTION OF DEFECTS - WARRANTY

Upon receipt of the goods, we will examine the goods for obvious defects, identity, shortfalls and damage suffered in transit. There is no further duty to review. Notification of a defect is timely provided it is received by the supplier within a period of 14 working days from delivery. The supplier shall have no right of objection against late notification of defect.

We have the right to statutory warranty claims in full; independently from this, we have the right to demand from the supplier removal of the defect or delivery of an item free of defect, at our discretion. In such cases, the supplier is obliged to bear all costs required for the purpose of removing the defect, in particular travel and transport expenses and labor and material costs. We expressly reserve the right to claim full compensation.

Rectification of defects may be carried out by us or by a third party commissioned by us without a time limit and at the cost of the supplier if, in order to avoid delay on our part or some other reason for urgency, it is in our particular interests to carry out immediate rectification.



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If we should take back products manufactured by us and/or sold by us as a result of the defectiveness of the contractual object delivered by the supplier or claims for compensation are made against us, the statutory right of recourse in accordance with §§ 478, 479, of the German Civil Code (BGB) remains open to us

The period of liability for material defects is 3 years, and for building materials within the meaning of § 438 (1) Nr.2 b) BGB, 5 years.

The supplier shall ensure at his own cost that all the necessary approvals and duties of notification with official bodies in relation to the import of goods from him are fulfilled.

#### 7. PRODUCT LIABILITY

If the supplier is responsible for damage to a product, he is obligated to exempt us at first demand from compensation claims of third parties insofar as the cause is within his control and organization and he assumes liability for these duties vis-a-vis third parties.

In such cases, the supplier shall take responsibility for all costs and expenses, including the costs of any legal processes or recall measures.

The supplier undertakes to maintain product liability insurance with appropriate cover for damage to persons and material. Our compensation claim rights are however not limited to the amount of this cover.

#### 8. TRADE MARK RIGHTS

The supplier vouches that no rights of third parties are infringed in relation to his delivery

If a claim is made against us by a third party as a result of this, the supplier is obligated upon first written demand to exempt us from these claims; we do not have the right – without the agreement of the supplier – to conclude any agreements with the third party, in particular to conclude a compromise settlement.

The obligation to exempt relates to all expenses necessarily accruing from us or within the framework of the claim by a third party.

#### 9. PROVISION - TOOLS – RETENTION OF TITLE

If we supply parts to the supplier, we retain the title to these. Processing or alterations by the supplier are carried out by the supplier for us. If retained goods are processed with other goods not belonging to us, we shall be accorded co-ownership of the new object proportionate to the value of our good to the other processed object at the time of processing.

If the objects supplied by us are combined with other objects not belonging to us in an inseparable way, we shall be accorded co-ownership of the new object proportionate to the value of the retained good with the other combined object at the time of combination. If the combination is such that the supplier's object can be seen as the main object, it is agreed that the supplier transfers co-ownership proportionately to us; the supplier shall safeguard sole or co-ownership for us.

We reserve ownership of tools; the supplier is obligated to use the tools exclusively for the manufacture of goods ordered by us. The supplier is obligated to insure the tools belonging to us at new



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replacement value against fire, water and theft damage, at his own cost. He is obligated to carry out any necessary maintenance and inspection work promptly and at his own cost. He is to notify us immediately of any faults; should he be culpable of not doing this, the right to claim compensation remains unaffected.

Products manufactured from documents drawn up by us, such as drawings, models and the like, or in accordance with confidential details or with our tools, may not be used either by the supplier himself or offered or delivered to third parties.

#### 10. COURT OF JURISDICTION – PLACE OF PERFORMANCE

If the supplier is a business, the court of jurisdiction is the responsible court in Schonach. However, we have the right to take legal action against the supplier in the court at his place of residence.

Unless agreed in writing to the contrary, the place of performance is Schonach.

German law applies exclusively to this contract; the United Nations Convention on Contracts for the International Sale of Goods (CISG) is excluded.