

Sprimag Spritzmaschinenbau GmbH & Co. KG

Conditions of Purchase

Edition January 2012

1. Basis of Contract, conclusion of Contract

- 1.1 Our conditions of purchase shall apply to the ordering of supplies and services of all kinds. Diverging terms and conditions of trade from the supplier shall apply only if we have acknowledged them in writing.
- 1.2 The order, or a modification or supplement thereto, including other deviating agreements at the contract conclusion, shall be binding once you have received a declaration or written confirmation from us to this effect.

2. Passing on of orders

The supplier must not pass on our order, or a significant part thereof, to a third party without our prior written approval.

3. Ownership, copyright, secrecy

- 3.1 Without requiring notification, the supplier shall return samples, drawings, models and also other documents that were provided to the supplier as soon as they are no longer required to carry out the order.
- 3.2 All documentation made available to the supplier is confidential. The supplier shall treat this information confidentially and all other knowledge gained about our business processes in the course of the contractual cooperation and shall respect our copyrights. Information and documentation must be used only for the purpose specified in the Contract.

4. Deadlines, dates

- 4.1 Agreed deadlines and dates shall be binding. If deadlines cannot be met, the supplier shall notify us of this immediately, stating reason, and the projected length of delay. Our legal claims regarding delay in performance shall not be affected.

4.2 In the event of a delay, we shall have the right to demand as contractual penalty 0.5 % of the order value up to a maximum of 5% for each week or part thereof, irrespective of the extent of further losses. If a contractual penalty is due, we can assert our claim until payment of the invoice.

4.3 Early deliveries of goods and services shall require our agreement.

5. Partial, increased or short deliveries

5.1 Partial deliveries or services shall require our approval.

5.2 We reserve the right to recognise increased or short deliveries on an individual basis.

6. Dispatch, packaging

6.1 Shipment to the forwarding address named by us shall be free of freight, packaging and other charges, including insurance, and transported at forwarder's risk.

6.2 If, in exceptional cases, the price has been fixed "ex works", dispatch shall be at the lowest cost possible, insofar as we have not specified a particular form of transport.

6.3 Additional costs arising from non-observance of a shipment specification or from deliveries expedited in order to meet agreed deadlines shall be borne by the supplier.

7. Invoice, payment

7.1 Invoices shall be submitted separately for each order upon complete flawless delivery or after performance of services or after the acceptance of result-based final inspection and approval quoting in each case the order number and date.

7.2 Payment shall be within 20 days with 3% discount or after 60 days net as of invoice receipt date, but shall not be before complete flawless delivery, completion of services and approval.

8. Passing of risk, notification of defects

- 8.1 The risk shall pass to us upon delivery of the goods at the shipping destination named on the order, in cases of other result based performances the risk does not pass before we give our approval.
- 8.2 We shall notify the supplier within 10 days of deficiencies detected visually; notification of other deficiencies shall take place immediately upon their discovery.

9. Warranty

- 9.1 The supplier owes flawless delivery and performances. In particular, these must show the agreed quality features and the owed purpose, correspond to state-of-the-art technology, generally recognized technical and occupational health safety regulations of public authorities and professional associations, and be conform with current environmental regulations.
- 9.2 If the object of delivery includes machines, equipment or plants, they also must comply with the special safety specifications for machines and plant applicable at the time of contract performance and must bear a CE mark of conformity.
- 9.3 In the event of defects or non-observance of guarantees, we have warranty claims according to legal provisions. If a defect appears within the period of limitation, we are entitled at our discretion to request performance through repair, replacement delivery or re-manufacture as well as compensation. Moreover, the supplier must pay the costs required for the subsequent performance.
- 9.4 If subsequent performance has not taken place within the reasonable period set by us, or has failed, or the fixing of a time limit was unnecessary, we can also terminate the agreement and request damages in lieu of performance, the replacement of futile expenses or a reduction. If we are entitled to warranty claims that go beyond legal rights in the case of defects, these remain unaffected by this.

9.5 In urgent cases of a risk of excessively high losses, we have the right to take the necessary measures ourselves. We can repair defects at the supplier's expense and at his risk or have them repaired by third parties. The supplier's obligation to repair defects continues in spite of this.

10. Violation of industrial property rights/patents

The supplier shall ensure that the industrial property rights or patents of third parties are not violated by us in the course of the contractual use of his supplies or services. The supplier shall indemnify us against all claims made against us with regard to the violation of an industrial property right.

11. Product liability, insurance

11.1 The supplier shall release us from all legal claims from non-contractual product liability that are the result of an error in the product supplied by him. Under the same conditions, he is also liable for damage incurred by us through precautionary measures of a reasonable type and size, e.g. through public warnings. Our right to assert own damages against the supplier remain unaffected by this.

11.2 The supplier undertakes to insure himself to a reasonable degree against all product liability risks, including the recall risk, and will prove this to us on request through presentation of his insurance policy.

12. Place of performance, jurisdiction, applicable law

12.1 Place of performance is the forwarding address we have specified in the order.

12.2 Place of jurisdiction is Kirchheim-Teck if the supplier is merchant . We can also bring action against the supplier at the general place of jurisdiction for the supplier's place of business.

12.3 The law of the Federal Republic of Germany shall govern. Use of the United Nations Convention on Contract for the International Sale of Goods (CISG) of 11.04.1980 is excluded.