



General Terms and Conditions of Purchase

of Precitec GmbH & Co. KG

I. Validity of the PRECITEC GmbH & Co. KG General Terms and Conditions of Purchase

The terms shall apply to all agreements which Precitec GmbH & Co. KG enters as a buyer or orderer, unless expressly otherwise agreed in writing.

Any deviating terms of delivery of the supplier shall not become part of the agreement, even if Precitec GmbH & Co. KG does not expressly contradict them. The General Terms and Conditions of Purchase shall also apply if Precitec GmbH & Co. KG accepts a delivery of the supplier without any reservations, although Precitec GmbH & Co. KG is aware of the differing terms and conditions of the supplier.

The General Terms and Conditions of Purchase in their currently valid version shall also apply to future transactions with the supplier.

II. Conclusion of the agreement and amendments to the agreement

The agreement shall come into effect with the order or the call-off by Precitec GmbH & Co. KG, unless the supplier objects or makes a counter offer in writing within a week of the receipt of the order or call-off. Decisive for the timeliness is the receipt of the objection or the counter offer by Precitec GmbH & Co. KG.

In order to be effective, any subsequent amendments or supplements to a concluded agreement must be confirmed in writing by Precitec GmbH & Co. KG.

III. Scope and content of the obligation to perform

The scope of the obligation to perform of the supplier is evident from the specifications submitted on concluding the agreement and, in the case of lack hereof, from the details in the quotations and brochures of the supplier.

All deliveries must comply with the most current DIN and/or VDE standards, as well as EU standards and standards common in the industry unless otherwise expressly agreed in writing.

Precitec GmbH & Co. KG shall only accept the quantities or units ordered. Over or under-deliveries shall only be permissible if previously agreed with Precitec GmbH & Co. KG. If partial quantities have been agreed, the supplier shall inform Precitec GmbH & Co. KG of the respective quantity remaining after each partial delivery.

IV. Amendments to the performance

If while executing the agreement it should emerge that amendments to the originally agreed specifications are necessary or beneficial, the supplier must inform Precitec GmbH & Co. KG without delay. Precitec GmbH & Co. KG shall then notify the supplier in writing if any and which changes to the original order shall be made by the supplier. If as a result, the costs incurred by the supplier when executing the agreement change, an amicably agreed solution shall be found. If this is not possible within one week, Precitec GmbH & Co. KG shall decide as it sees fit.

Precitec GmbH & Co. KG can also demand changes to the performance after concluding the agreement, if said changes are reasonable for the supplier. Both contracting parties must reasonably consider the effects of executing such changes to the agreement, especially in terms of additional or reduced costs, as well as the delivery deadlines.

Force majeure, industrial disputes, operational stoppages not the fault of the supplier, civil unrest, government action and other such unavoidable events in the Precitec GmbH & Co. KG environment shall entitle Precitec GmbH & Co. KG, notwithstanding any of its other rights, to withdraw from the agreement fully or partially, unless these events are just for a short period or result in an insignificant reduction of demand on the part of Precitec GmbH & Co. KG.

V. Delivery period

1. Agreed delivery dates and deadlines are binding. Of decisive importance for upholding the delivery deadline is the receipt of the goods at Precitec GmbH & Co. KG or at the recipient specified by Precitec GmbH & Co. KG.

In accordance with the provisions of paragraph 3, the supplier shall be liable for default in delivery caused by the shipping agent.

2. If the supplier anticipates difficulties which may prevent him from supplying the goods on time or in the quality agreed on, he must inform Precitec GmbH & Co. KG without delay specifying the reasons and the foreseeable duration of the delay.

3. In the event of a default in delivery, Precitec GmbH & Co. KG shall be entitled to its statutory rights. Precitec GmbH & Co. KG shall be entitled to demand from the supplier, from the start of the default in delivery, a contractual penalty of 0.5% per week begun, at the most however 5% of the entire contract value of the delivery. The right to assert further damages is expressly reserved. The contractual penalty shall however be set off against damages due to default.

VI. Transport, passage of risk, documents

If no other separate agreement has been made, delivery is free domicile.

Unless otherwise agreed the risk shall pass to Precitec GmbH & Co. KG with the delivery of the goods to the first forwarding agent. Unless otherwise agreed the supplier shall arrange shipping.

A delivery note shall be included with every delivery. Invoices are to be sent to Precitec GmbH & Co. KG specifying the order number.

VII. Prices and payment

The price stated in the order is binding. The statutory VAT is not included in the price. In the event of a delivery not in line with the agreement, especially a faulty delivery, Precitec GmbH & Co. KG shall be entitled to retain the payment until the order has been duly completed, without losing any rebates, cash discounts or other payment benefits.

If no special agreement has been made, the invoice will be settled either within 14 days with a deduction of three per cent of the price or within 30 days, each from the receipt of the invoice and completion of the consideration. Payment shall be made conditional to invoice verification.

VIII. Quality

The supplier must constantly review quality of the delivery items. The contracting parties shall inform each other about the possibilities of improving the quality.



If the type and scope of the inspections as well as the test equipment and methods have not been bindingly agreed between the supplier and Precitec GmbH & Co. KG, on request from the supplier Precitec GmbH & Co. KG agrees to discuss the tests with the supplier in the framework of its knowledge, experience and possibilities in order to determine the necessary level of testing equipment.

IX. Claims for defects

Unless otherwise stipulated by these general Terms and Conditions of Purchase, the statutory provisions for liability for material defects shall apply.

The supplier guarantees that the delivery item during the warranty period remains free of faults and accepts liability that the delivery item is state of the art, meets the relevant legal provisions and the regulations and guidelines of the authorities, employers' insurance associations and industrial associations. If the delivery item does not meet these demands, the supplier must inform Precitec GmbH & Co. KG hereof in each individual case before the start of delivery to Precitec GmbH & Co. KG specifying the reasons. In this case, Precitec GmbH & Co. KG shall be entitled to reject the delivery even after receipt within a deadline of 10 working days from notification by the supplier and to assert its statutory rights to claim for defects.

If there are reservations by the supplier about Precitec GmbH & Co. KG's desired type of execution, the supplier must notify Precitec GmbH & Co. KG in writing without delay. The acceptance of the goods takes place under the caveat of inspection, in particular for lack of faults and completeness. The inspection shall be made on the basis of the delivery note and shall be limited to externally visible damage and deviances in identity and quantity. Precitec GmbH & Co. KG will immediately report in writing any faults discovered, at the latest within ten working days; significant for meeting the deadline is the timely dispatch of the notice for defects. Precitec GmbH & Co. KG will report any faults hereby not discovered within a reasonable period of time, at the latest within one week, as soon as they are detectable within the conditions of regular course of business. In so far, the supplier waives its right to object to the notice of defects on the grounds of lateness.

If the supplier does not provide supplementary performance without delay after being requested to do so by Precitec GmbH & Co. KG, in urgent cases Precitec GmbH & Co. KG shall be entitled to eliminate the faults itself at the cost of the supplier at the standard Precitec GmbH & Co. KG remuneration fees or to have them eliminated by third parties, especially to ward off acute risks or to avoid larger damage. The statutory rights in accordance with article 437 no. 2 and no. 3 German Civil Code shall remain unaffected. Claims for defects Precitec is entitled to shall expire in 24 months, unless a longer period of limitation applies in line with article 438 paras. 1 and 3 German Civil Code. If the goods are procured for resale or to be used when manufacturing Precitec GmbH & Co. KG machines or products, the period of limitation shall begin when the period of limitation for claims for defects starts for the Precitec GmbH & Co. KG product containing the goods, at the latest however six months after the delivery of the goods at Precitec GmbH & Co. KG. The period of limitation is blocked as long as the goods are at the supplier or its agent for examination for defects or repair.

For parts of the delivery repaired or replaced within the period of limitation the period of limitation shall start afresh at the point at which the supplier has completely met Precitec GmbH & Co. KG's claims for supplementary performance.

If a third party asserts claims against Precitec GmbH & Co. KG due to faults in the goods procured from the supplier, Precitec GmbH & Co. KG shall be entitled to have recourse to the supplier; the previous paragraphs shall apply

accordingly. The supplier is committed to reimburse Precitec GmbH & Co. KG for the expenses it has incurred due to the faults, especially transport, labour, handling and material costs.

X. Product liability

If claims are asserted against Precitec GmbH & Co. KG due to product liability, the supplier is committed to release Precitec GmbH & Co. KG from this type of assertion of claims if the damage was caused by a fault in the delivery item supplied by the supplier. In such cases, the supplier must compensate Precitec GmbH & Co. KG for all costs including the expenses for any necessary recall campaigns and the costs of a legal dispute.

Furthermore the statutory provisions shall apply.

At the beginning of the agreement, and any time it is requested to do so, the supplier must provide proof of a product liability and recall insurance policy with coverage of at least € 2,500,000 per insured case and to maintain the insurance protection also after completely fulfilling the mutual contractual responsibilities.

XI. Defects of title

The supplier shall indemnify Precitec GmbH & Co. KG and its customers from any claims asserted by third parties due to any infringements of property rights and shall bear all costs which Precitec GmbH & Co. KG incurs in connection herewith.

If the use of the delivery item leads to an infringement of industrial property rights or copyrights, the supplier shall at its own expense procure Precitec GmbH & Co. KG for the rights to continue using the said delivery item or modify the delivery item in such a way while still being acceptable for Precitec GmbH & Co. KG so that the property rights are no longer infringed.

Precitec GmbH & Co. KG shall only be entitled to these rights as long as the defect of title is not based on an instruction given by Precitec GmbH & Co. KG.

Furthermore the statutory provisions shall apply.

XII. Offsetting; assigning

1. The supplier shall only be entitled to offset with accounts receivable which are undisputed or have been deemed to be res judicata.

2. The supplier shall only be authorized to assign or outsource the collection of accounts receivable with the prior written authorization of Precitec GmbH & Co. KG. If the supplier nevertheless assigns accounts receivable to a third party without the prior authorization of Precitec GmbH & Co. KG, this assignment is nonetheless effective. Precitec GmbH & Co. KG can however pay to the supplier or to the third party as it sees fit.

XIII. Retention of ownership, provision, tools

1. Precitec GmbH & Co. KG reserves the right of ownership to all parts provided to the supplier. Any processing or reshaping at the supplier's premises is done on behalf of Precitec GmbH & Co. KG. If the goods subject to retention of title are processed with other objects which do not belong to Precitec GmbH & Co. KG, the latter shall acquire co-ownership to the new object in the ratio of the value of the goods subject to the retention of title to the other processed goods at the time of processing.

2. If a part provided by Precitec GmbH & Co. KG is damaged or destroyed in the supplier's area of responsibility, the supplier must replace or repair the part at its own cost.



3. Precitec GmbH & Co. KG reserves the ownership to tools paid for or provided by Precitec GmbH & Co. KG. The supplier undertakes to solely use the tools to manufacture goods ordered by Precitec GmbH & Co. KG.

XIV. Non-disclosure

The contracting parties undertake to keep all information from the cooperation strictly confidential, unless such information is common knowledge, has been legally obtained from third parties or independently generated by third parties, and to use it solely for the purpose of the agreement.

The protected information in particular includes technical data, quantities purchased, prices as well as information about products and product developments, about current and future research and development projects and all company data of the other contractual party.

The supplier additionally undertakes to keep all images, drawings, calculations and other documents strictly confidential and to only disclose them to third parties with the prior written permission of Precitec GmbH & Co. KG, unless the information contained therein is common knowledge. The supplier must accordingly commit its subcontractors to non-disclosure.

Whenever requested to do so by Precitec GmbH & Co. KG, at the latest however on termination of the agreement, all information originating from Precitec GmbH & Co. KG (including any copies or recordings which may have been made) and any objects which have been given on loan are to be returned to Precitec GmbH & Co. KG in full without delay, unless the supplier still needs them to fulfill its contractual responsibilities. Precitec GmbH & Co. KG reserves all rights to such confidential information including copyrights, industrial property rights, patents, utility patents etc.

Products made from drafts, documents, models or similar originating from Precitec GmbH & Co. KG or from details marked as confidential may only be used by the supplier for the purposes stipulated in the agreement, in particular they may neither be offered nor supplied to third parties.

XV. Final provisions

The supplier may not outsource the contract or essential parts thereof to third parties without prior written permission from Precitec GmbH & Co. KG.

As soon as the supplier stops its payments, appoints a temporary bankruptcy administrator or opens bankruptcy proceedings, Precitec GmbH & Co. KG shall be entitled to withdraw from the agreement fully or partially.

Solely German law shall apply to contractual relationships under the exclusion of the United Nations Convention on Contracts for the International Sale of Goods (CISG).

If individual parts of these Terms and Conditions of Purchase are invalid the validity of the remaining provisions shall not be affected.

The place of jurisdiction is the headquarters of Precitec GmbH & Co. KG. Precitec GmbH & Co. KG reserves the right to take action at any other permissible place of jurisdiction.

Subject to change without notice

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