



Terms for Purchasing

Dated: 11/2015

1. **Validity**

- 1.1 Existing purchasing specifications are applicable for all contracts, deliveries and other services provided they do not alter or exclude our formal agreement. The general terms and conditions of the suppliers are also not binding even if we do not explicitly contradict them.

2. **Placing and Acceptance of Order**

- 2.1 Orders and the amendments and extensions thereof are only valid when they are expressed in writing.
- 2.2 The supplier must confirm the order / amendment immediately. Should we not have a confirmation in due form within 10 days – calculated from the receipt of the order / amendment, we are entitled to withdraw the order without the supplier being able to derive some claims.

3. **Delivery and Acceptance**

- 3.1 Agreed upon dates of delivery are binding. Adherence to the date of delivery is determined by the receipt of the goods at our factory.
- 3.2 The supplier is obligated to inform us immediately in writing when circumstances arise or become apparent that would, as a consequence, result in non-compliance on the part of the supplier with the agreed date of delivery.
- 3.3 The supplier is not authorized for additional, short or partial deliveries.

4. **Price and Payment**

- 4.1 The prices are quoted as free to our plant including packaging.
- 4.2 Payment is made by transfer or check after the contractual receipt of goods and receipt of an auditable invoice according to the regulations within 14 days with 2% discount or within 30 days net. The periods for payment do not begin before the agreed upon date of delivery.
- 4.3 In the case of the presence of errors subject to warranty, we are authorized to withhold payment proportionate to the value until the defects have been removed.



5. Transfer of Risk

- 5.1 The risk passes over to us when the delivery is transferred to our plant in accordance to the regulations.

6. Packaging and Shipping

- 6.1 The goods to be shipped shall be packaged commercially or, at our request, equipped with specific packaging according to our instructions.

The supplier must observe the regulations of the respective transporters, freight carriers or shippers. The supplier is liable for damages as a result of insufficient packaging.

- 6.2 Should we have, as an exception, arranged to pay for the shipping costs, we reserve the right to choose the type of transport. §5 of the term of purchasing remains unaffected.
- 6.3 The return of packaging material is not free of charge for the supplier.
- 6.4 The shipping documents and dispatch notices are to be marked with the reference numbers we indicate. After the supplier has shipped the goods or the item, duplicates of the dispatch notices should be sent to us which contain the precise name, amount, weight (gross and net), the type and the packaging of the goods or the item. In the case that the required shipping documents are not delivered on time with the delivery or the above information is missing from the shipping documents and dispatch notes, the goods are stored until the arrival of the shipping documents or the complete information at the cost and risk of the supplier.

7. Billing

- 7.1 The invoice should be sent in duplicate copies to our printed address. They cannot be enclosed in a shipment.

8. Rights concerning Defects

- 8.1 We will immediately report deficiencies in delivery to the supplier as soon as they have been detected according to the conditions of a proper course of business. In this respect, the supplier waives the objection to a delayed defect complaint.
- 8.2 The legal provisions for defects in quality and title apply provided another approach is not subsequently regulated.



- 8.3 Principally, we have the right to choose the type of new delivery. The supplier has the right to refuse the new delivery we have chosen according to the (pre)conditions of § 439 subparagraph 3 in the German Civil Code.
- 8.4 In urgent cases, we are authorized to accept the corrective measures concerning the defect at the cost of the supplier or let it be carried out by a third party after consulting the supplier. The same applies when the supplier is behind schedule with the corrective measures for the defect.

9. **Security Regulations**

- 9.1 Insofar as the contract is concerned with machines, devices, vehicles and similar items, the implementation must comply with the valid laws and accident prevention regulations. Additionally, without necessitating a special order or notice, the required protective devices and guards according to the accident prevention regulations are to be delivered with the shipment.

10. **Provision of Materials**

- 10.1 Materials provided remain the property of SP Industry Products. The provided materials are clearly arranged, stored separately as our property and adequately secure against fire, water and theft at the cost of the supplier. The materials can only be used in accordance with the terms of the contract.

11. **Model Samples, Drawings, Manufacturing Materials**

- 11.1 Documents of all kinds such as sample models, drawings, models or manufacturing materials which we have made available to the supplier remain the property of SP Industry Products and are to be returned to us unrequested free of charge as soon as they are no longer needed for the execution of the order. They are to be exclusively used for the manufacturing of our order. Under no conditions are these to be made available to third parties.

The same applies to documents or manufacturing materials that the supplier has manufactured or developed according to our information or with our cooperation.

12. **Other**

- 12.1 The location for fulfillment of all deliveries and services is our company office.
- 12.2 The place of jurisdiction is the court responsible for our company office; we are albeit also authorized to appeal to the court responsible for the office of the supplier.