

GENERAL CONDITIONS OF PURCHASE

Version 04/2009

I. Contents of Contract and its Conclusion

1. These General Conditions of Purchase ("Conditions") shall apply to all – present and future – orders of goods and services and their transactions. Conflicting conditions or any of the Seller's purchase conditions, which differ from these Conditions, will not be accepted unless otherwise specified in our contract with the Seller. If we accept the goods without further objecting expressly, this may not in no case be considered as our acceptance of the Seller's conditions.
2. If, for a specific order, special conditions are agreed to which differ from these Conditions then these Conditions are subordinate and supplementary only.
3. The preparation of offers is cost-free and not binding for us.

II. Prices

The prices agreed to represent free house delivery to the receiving location, including freight, packaging and similar costs. In case of deliveries where we pay the costs, we shall take over only the most favourable freight costs unless we have specified a special type of shipment.

III. Payment

1. The following payment conditions apply if nothing else has been agreed to: we shall pay invoices which enter between 1st to 15th of each month at the last day of the same month, we shall pay invoices which enter between 16th to the last day of each month at the 15th of the following month, each with a 3 % cash discount or 30 days without deductions. If the payment conditions of the Seller are more favourable for us then they apply. Receivables from commercial transactions with other companies of the SCHAUBURG group are able to offset.
2. Payment and cash discount periods begin with receipt of the invoice, not, however, before receipt of the goods or services nor before their acceptance and, so far as documentation or similar documents belong to the total package, not before they are given to us as specified in the contract.
3. Payments will take place by check or bank transfer. Payment is considered to be on time when the check is put in the mail or the transfer papers are given to the bank on the due date.
4. We shall be entitled to all statutory rights as to the set-off and retention of our claims against the Seller's.
5. Interest may not be requested at the mere maturity of the debt. The interest rate on default is 5 percent points above the basic interest rate. In any case, we are permitted to prove lower damages due to default than that requested by the Seller.

IV. Delivery Deadlines

1. Delivery deadlines and dates are binding. When delays are threatened, we must be informed immediately.
2. In case of delivery delays we have the right to claim as specified by law. In particular, after the fruitless expiration of an extension of time, we are authorized to request damages instead of the goods or services. Our claims for delivery expire only after the Seller has paid any damages.

V. Retention of Title

1. The Seller's terms covering his retention of title shall apply subject to the condition that title in the goods shall pass to us on the date of payment for such goods. Consequently, the extended forms of the so-called current account retention (Kontokorrentvorbehalt) and the multiple reservation (Konzernvorbehalt) shall not apply.
2. The Seller may claim return of the goods on the basis of his retention clause only if he has previously withdrawn from the contract.

VI. Execution of Deliveries and Transfer of Risk

1. The supplier carries the risk of accidental loss and accidental deterioration, even with prepaid and free house deliveries, until the goods have been handed over at the place of delivery.
2. Partial deliveries require our agreement.
3. Quantities exceeding or less than those ordered are permitted only within the usual trade conditions.
4. The Seller carries the cost of packaging unless something else has been agreed to in writing. If we carry the cost of packaging in a specific case, this must be charged to us at the lowest cost possible. The requirements to take back packaging are according to the Packaging Regulation (Verpackungsverordnung) of 21.08.1998 in their current version.

VII. Declarations of Origin

Where the Seller makes a declaration in regard to the origin of the merchandise, the following terms shall apply:

1. The Seller will allow verification through customs authorities and submit all necessary information as well as any required certification.
2. The Seller shall compensate us for any damages and losses incurred to us, if and in so far as the competent authorities, due to any deficient certification or impossibility to verify, fail to acknowledge the declared origin, unless he proves that he is not responsible for such consequences.

VIII. Warranty Provisions and Statute of Limitations

1. The Seller must supply us with goods free of physical and legal defects. The Seller must take the responsibility that his deliveries and services are according to the recognized rules of technology and that the contractually agreed upon characteristics and standards as well as safety, workers' protection, accident prevention and other laws have been followed.
2. Upon receipt, the goods will be checked by us for quality and completion within the reasonable and technical possibilities available to us. Notices of defects are in time if they are sent by letter, telefax, e-mail or telephone and are received by the Seller within five working days. The deadline for the notice of defects begins at that point in time in which we – or within direct sales, our customers – have or should have determined that there is a defect.
3. If the goods have a physical defect, we have legal rights of our choice. We can request from the Seller the refund of the costs we have to carry in relation to our customer, when the defect was present at the time the risk was transferred to us.
4. The legal Statute of Limitations applies to our claims of defects. The deadline begins with the timely submission of the notice of defects in the sense of the previous No. 2. The responsibility of the Seller for defects ends, however, ten years after delivery of the goods. This limitation does not apply insofar as our claims result from occurrences which the Seller knew about or about which he must have known and which he did not reveal to us.
5. The Seller transfers to us now – on account of fulfilment – all claims he has against his suppliers resulting from and in connection with deliveries of defective goods or those goods in which promised characteristics are missing. He will supply us with all documents necessary for us to assert those claims.

IX. Tools, Models, Drawings and other Documents

1. Tools, models, drawings and other documents supplied by or prepared for us may only be used to perform our orders. They may not be given to third parties without our approval and must be retained until further notice, at a maximum two years after their last usage, in an orderly condition and then returned to us.
2. The production of, as well as the working on or processing of such tools, models, drawings and other documents which the supplier undertakes are for us as manufacturer, with the result that we gain ownership of them.

X. Place of Performance, Jurisdiction and Applicable Law

1. Unless otherwise agreed to, our warehouse shall be the place of performance for the delivery.
2. The location of our company shall be the place of jurisdiction. We may, however, sue the Seller at his place of jurisdiction or at the court, which is competent for our branch office with which the contract in question has been concluded.
3. All legal relationships between ourselves and the Seller shall be governed by the laws of the Federal Republic of Germany supplementing these Conditions, including the provisions of the United Nations Convention on Contracts for the International Sale of Goods of 11.04.1980 (CISG).

XI. Applicable Version

In cases of doubt, the German version of these General Conditions of Purchase shall prevail.