

PFARR: General purchase conditions

Status February 2016

Article 1: General – applicability and validity

1. These general terms and conditions of purchase are a constituent part of any offer or contract with respect to any delivery of goods or provision of services to us.

2. Deviating, contradictory or additional terms and conditions, even where known, do not form a part of the contract unless specifically agreed in writing or via a text message. In this case they apply only to the specific contract and not generally.

Our purchase conditions are also valid for all future business with the supplier in question.

Article 2: Contract conclusion

Our orders must be in writing or via text including a legally binding signature. Verbal agreements which are not confirmed in writing or via text are non-binding.

We hold orders valid for fourteen days from date of issue / order date. A written confirmation of the order is required within the period mentioned.

In the event of force majeure (e.g. fire, war, natural catastrophe) or other unforeseeable event not caused by our employees and managers, representatives or agents and particularly transport and production issues such as strikes, or government interventions prohibiting us from taking delivery, our obligation to accept delivery is absolved. We will apprise the supplier of such circumstances forthwith. In such cases we are entitled to withdraw from the contract or to require contract fulfilment at a later date. The supplier has no rights to any claims in such circumstances.

Article 3: Prices

All the prices mentioned in the order are fixed prices excluding the applicable VAT / sales tax. They do not allow for any surcharges in respect of wage increases, material cost increases, etc. and are to be understood as delivered prices including packaging. Unless specifically otherwise agreed in the individual contract the goods are to be delivered using the cheapest possible mode of transport. Alternative transportation requires our clear written agreement.

Article 4 Delivery and default

The agreed delivery date is binding. After this date the supplier is in default. Where we provided the supplier with a reasonable extension of delivery and this proved unsuccessful, we may withdraw from the contract or require compensation. The delivery period may be dispensed with where the supplier formally and definitively refuses to supply, the supplier

is unable to fulfil the order within a reasonable time frame, the receiving party is committed to receiving the goods to fulfil his commitments, or where there are circumstances pertaining which, in weighing up the interests of the two parties, justify an immediate contract cancellation or claim for compensation.

If the supplier is in default for all or part of a delivery, in addition to the terms of article 4.1, we are entitled to compensation in the sum of 0.5% per week or part thereof of delay up to a maximum of 5% of the price of the part delivery for each week of delay or part thereof, without the need to prove actual loss.

We reserve the right to refuse early deliveries arriving a week or more before the agreed date of delivery, or to charge the supplier with the ensuing associated costs.

Partial deliveries are only acceptable with our prior consent. Without such consent, we are entitled to refuse to accept partial deliveries or to return them at the suppliers' cost.

Article 5 Conditions of order execution

Each individual container of material delivered must be marked with the following details:

Material specification and/or exact details of the type and class of product concerned

Dimensions and tolerances

Purity level

Quantity details

Where requested details of the required quality and environmental compliance with certification

Supplier's name

Batch or lot number

supplied. To support the homogeneity of our manufacture and the limitation of testing and inspection work, the delivery should consist of the minimum number of individual batches. We are otherwise entitled to charge for additional inspection work. The number of individual production lots or batches is to be given in the delivery documents.

Article 6 Warranty claims

The supplier guarantees fault-free material conforming to our specific, special requirements and faultless contract fulfilment.

We will inspect and test all goods supplied and advise of any complaints surrounding deficiencies within a reasonable time period. In deviation from standard German commercial law, paragraphs 377 and 378, the goods are not tacitly accepted in the absence of a timely complaint. Rather all warranty claims remain intact.

If delivered goods are defective, we can choose whether to require repair of the goods delivered or replacements. In such cases the supplier has to cover all transportation, rework and material costs concerned.

In cases of particular emergency, or where the supplier is in default of the replacement delivery, we are entitled to organise replacement of the parts concerned at the supplier's cost without releasing the supplier from his commitments or removing our warranty claim.

If no replacement is made, is refused by the supplier or proves unreasonable for us, we may choose between reducing the payment, compensation, reimbursement of frustrated expenditure or withdrawal from the contract.

Where we choose to withdraw from the contract due to failure on the part of the supplier to make adequate timely and reasonable replacement, we are still entitled to compensation.

The period of validity for warranty claims is three years from the date of delivery for both new and used goods even where the final customer is not the user; as per paragraph 478 of the German commercial code BGB.

In case of warranty claims based on wilful concealment of defects, hidden faults or those which are only apparent during use, a thirty-year warranty period applies. Where the problem is only found three years or more after delivery of the goods, it must be reported by us within two months of discovery; otherwise we have no rights to warranty claims.

In case of products which we do not re-work but sell on unchanged, the supplier releases us from any and all product liability claims both national and/or international.

Article 7: Property rights

The supplier releases us from any claims on us by third parties surrounding intellectual property rights or copyright claims arising from the goods delivered. This does not hold where the goods are produced to drawings, models or similar patterns provided by ourselves and where he would not know that property rights could be affected.

The supplier affirms that he is not aware of any third-party rights surrounding the goods or services supplied which might influence the payment due by requiring surcharges.

Article 8 Confidentiality

The supplier is committed to maintaining confidentiality on all data and information and documents communicated to him to enable fulfilment of the order; as well as of the terms and conditions of the order.

Article 9: Liability

The supplier is liable for any incidence of negligence.

Article 10: Final provisions

If insolvency proceedings or composition bankruptcy (US Chapter 11) are initiated against one of the contract partners the other party is entitled to withdraw from the non-fulfilled part of the contract.

The place of fulfilment of the contract is the location given in the order.

Whether the supplier is a trader, legal entity or special property under public law, the only applicable place of jurisdiction in the event of contract dispute is our business location. The same applies where the supplier has no general place of jurisdiction in Germany or where no such place is known at the time of the appeal.

The laws of the Federal Republic of Germany govern the contract.

If individual articles or clauses in the contract, including those in these purchase conditions, are or become invalid, this does not affect the validity to the other terms of agreement. The invalid clause should be substituted with one of economic viability as close as possible in meaning to the one being replaced.

Article 11 Data processing

The business partners are hereby informed that personal data required for the fulfilment of the business transaction concerned are stored and – insofar as permitted - used and transferred as required.

