

**GENERAL TERMS AND CONDITIONS**  
**PURCHASE ENGLISH (reference only)**  
**K.A. Schmersal GmbH & Co. KG**

**§1 General- Ambit**

- (1) Our Terms and conditions purchase apply unconditionally, excluding the UN convention on the international sales of goods (CISG) from 11.04.1984. The relevant law is German law. Any conditions deviating from ours or stemming from our suppliers will not be recognized unless we confirmed the validity in writing. Our terms and conditions will also apply if we have acknowledged the presence of conditions from our supplier and accepted the goods unconditionally to our premises.
- (2) All agreements between our supplier and us with respect to these terms and conditions need to be made in writing. Any appendixes or amendments to the terms and conditions will equally need to be made in writing. They will come into effect once a duly signed telefax has been received.
- (3) Our terms and conditions only apply to merchants as defined by the German law § 310 Abs.1 BGB.
- (4) Our terms and conditions shall also apply to all future business dealings between the parties.

**§ 2 Order – Acceptance – Documents pertaining to the offer**

- (1) The supplier is obligated to accept our order within 4 working days.
- (2) All documents, technical drawings or other files pertaining to the order will remain our exclusive property they shall not be passed on to any third party without our explicit written permission and must at all times be treated with confidence. Their sole intended purpose is for the fulfillment of our order.
- (3) We are entitled to amend the order throughout the process as long as this will not constitute unreasonable hardship on the supplier. This will require to amend the terms and conditions with respect to delivery times and costs in a reasonable manner to the parties.
- (4) The supplier is obligated to deliver the specified quantities without deviation as specified in the order. Any deviation related to the production process will require our prior written authorization.

**§ 3 Prices – Terms of payment**

- (1) The price specified in the offer is binding. In the absence of any written agreement the price shall include carriage tariffs and custom duties including packaging and insurance. The return of any packaging shall occur in accordance with legal regulations in particular the regulation on packaging.
- (2) The price is without VAT
- (3) All invoices must carry the specified order number in order to be processed. The cost for all damages arising out of non-compliance must be borne by the supplier.
- (4) Payment will occur within 10 working days with a 3% discount or within 30 days with 2% discount alternatively after 90 days with no discount. The discount will be applied upon receipt of the invoice.
- (5) Compensation and retaining lien on our side shall apply in accordance with applicable law.

**§ 4 Delivery times**

- (1) The in the offer stipulated delivery time is binding.
- (2) The supplier is obligated to inform us in writing of any foreseeable changes in the delivery times
- (3) In the event of delayed deliveries we reserve the right to claim for compensation in accordance with the law. Additionally after a lapsed period of time we are entitled to claim for damages out of contractual non-performance
- (4) In the event of an early delivery we will date the invoice to the originally stipulated delivery date. Upon early delivery we reserve the right to return the goods to the supplier at his expense. Should we choose to forgo the option of returning the early delivered goods these will be stored at the suppliers expense and under his liability.

**§ 5 Transfer of risk – Place of performance – Documents**

- (1) Unless stated otherwise the place of performance and delivery should be, Möddinghofe 30, 42279 Wuppertal or Im Ostpark 2, 35435 Wettenberg.
- (2) Unless stated otherwise the delivery shall occur carriage tax and duties free.
- (3) The supplier is obligated to state on all trading documents our order number non-compliance could lead to delays and costs, for which we are not accountable for.
- (4) Deliveries in part will only be accepted after a written confirmation. Any agreement on part deliveries will have to clearly stipulate the remaining quantities.

**§ 6 Inspection for defects – Warranty**

- (1) We are obligated to inspect the goods for quality defects within a reasonable amount of time. Any announcement of a defect is regarded as timely if it happens within 10 working days after delivery.
- (2) We are entitled to all legal remedies with respect to warranty; additionally we are entitled to request remediation of defects or delivery of new items. The supplier is obligated to bare all cost in relation to remediation of defects or new item delivery. Our right to claim for damages in particular damages for contractual non-performance will remain in full effect. In case of delay we are entitled to remedy the defects ourselves at the suppliers expense.

**§ 7 Products liability – Indemnity – Liability insurance**

- (1) In the event of a supplier caused products defect the supplier is obligated to indemnify us from any liability claims since the cause is within the supplier sole responsibility.
- (2) Within the scope of this the supplier is obligated to reimburse any costs incurred in accordance with §§ 683, 670 BGB or §§ 830, 840, 426 BGB in relation to any products recall. If possible we will inform the supplier about the scope and content of any products recall within reason to give the supplier an opportunity for a statement.

- (3) The supplier is obligated to provide a liability insurance cover amounting to 5 million € for each individual case. Any additional remedies will remain unaffected by this.
- (4) The supplier shall clearly mark his product so that they can be identified with ease as his property. The supplier needs to provide a state of the art quality assurance scheme and confirm this by means of a quality assurance agreement.

**§ 8 Property rights**

- (1) The supplier assures that no third party property rights were infringed.
- (2) Should we be confronted with third party claims the supplier is obligated upon written request to indemnify us from any such claims. We are not entitled to settle with a third party without the written permission from the supplier.
- (3) The indemnification shall cover all potential costs that could arise out of a third party claim.
- (4) The statutory period is 24 month.

**§ 9 Secret lien – Supplement – Tools – Secrecy**

- (1) In the event that we supplement parts to the production we retain ownership of those supplements. Should the supplements from an integral part of the final product we retain ownership in proportion to the supplement.
- (2) If the supplement is inseparably mixed with other parts we retain proportional part ownership (purchase price plus VAT). Should the blend be in such a proportion that the supplier's share could be regarded as the main share the ownership rights will be partially transferred to us. However the supplier shall hold the ownership rights in our stead.
- (3) We reserve ownership rights for all tools provided. The supplier is obligated to solely use the tools for the manufacturing of our products. The supplier is obligated to insure at his expense the tools against fire, water and theft the supplier shall transfer all rights out of those insurance policies to us. The supplier is obligated to undertake any eventual maintenance and service works in a timely manner and at his expense. Any possible errors occurring will have to be brought to our immediate attention in the absence of this we retain the right to claim for damages.
- (4) The supplier is obligated to keep all documents, drawings technical data etc. under strict confidence. Third party access can only be happen after prior written consent from us. The confidentiality shall survive the duration of this agreement and remain in full effect until the technical knowledge becomes general knowledge.

**§ 10 Compliance**

- (1) The supplier is obligated to comply with all relevant norms and laws with respect origin properties and quality. Upon request the supplier shall issue confirmation statements.

**§ 11 ROHS/REACH**

- (1) The supplier with regard to the parts delivered to SCHMERSAL is obligated to comply with the REACH regulations in particular with regulation (EG NR 1907/2006). The supplier attests that the delivered products and the packing will not contain any materials from the candidate list Art. 53 Section 1, in excess of 0.1% of the SVHC substances contained. The supplier is obligated to register all delivered substances that would fall under the REACH regulation to SCHMERSAL either directly or through his own suppliers. All registration should be made available upon request.
- (2) The supplier ensures if any of the delivered products and packaging contain substances that fall under the REACH regulation those substances have been duly registered. He ensures that all relevant information is submitted to SCHMERSAL within the defined REACH (Article 31 ff. REACH regulation) time frame.
- (3) Should SCHMERSAL be indicted by customer's authorities or competitors the supplier will indemnify SCHMERSAL for all REACH related matters.
- (4) The above-mentioned obligations shall apply (with exemption of the obligation to register) when the supplier is resident in a non-EU country. The supplier is obligated to report any SVHC substance content exceeding 0.1% or if any REACH substances are discharged during operation.
- (5) The supplier is obligated to comply with all environmental regulations in accordance with the German or European Law. Including the EU directive 2011/65 on the restriction of the use of certain hazardous substances in electrical and electronic equipment
- (6) All electrical and electronic equipment of all categories should comply with the substances prohibition of the EU directive 2011/65 and all subsequent legislations directives and regulations. The supplier is obligated to provide a written confirmation of compliance. All devices must carry a CE marking and a label in accordance with EU directive 2002/96/EG (WEEE).
- (7) The supplier warrants that all products meet the RoHS requirements in accordance with sections 5 and 6 above. The supplier shall bare all costs in relation to a third party claim for breach of the RoHS regulations (including any legal fees).

**§ 12 Legal venue**

- (1) The legal venue is Wuppertal providing that the supplier is a full merchant in accordance with the German law. We are equally entitled to pursue legal remedies at the residence of the supplier.
- Version: June 2015