



General Terms & Conditions of Purchase TECKOS GmbH

A. Order Placement

1. The general terms and conditions of purchase only apply to companies. Companies in this sense are either natural persons or legal entities or partnerships with a legal capacity, who upon concluding business transactions are acting in a commercial or self-employed capacity. A legal partnership is a partnership, which has the capacity to acquire rights and incur liabilities. The general terms and conditions of purchase apply to all business transactions between TECKOS and the supplier, even if they are not specifically named in later agreements. Amendments to these conditions, in particular those in contrast to the general terms and conditions of purchase of the supplier, contained within the order confirmation are herewith repudiated. Silence on our part in the order confirmation, on remittance of the general terms and conditions, may not be deemed as consent.
2. An order is only deemed valid, when it has been documented in writing, or in the case of orders placed verbally or by telephone, only upon written order confirmation unless otherwise agreed on an individual basis.

B. Order Acceptance; Construction and Engineering - Order Scope

1. Our orders must be immediately confirmed in writing by the supplier. If we do not receive an order confirmation within 3 days after the order date, then the order is assumed confirmed. With respect to order refusal time limits and their impact please refer separately to our order placement document. It is explicitly agreed between the parties that Section 362 of the German Commercial Code (HGB) applies.
2. The supplier may only invoice an hourly fee for construction and engineering services, if this has been separately agreed. If this amount exceeds the hours worked agreed in the order confirmation, then our additional approval must be sought in advance. In all other cases, all services provided are at an agreed fixed price, even if the basis for this fixed price was planned hours worked. Higher or lower actual hours worked are irrelevant.

C. Prices

1. Unless otherwise agreed, only contractually agreed fixed prices plus VAT apply (also with respect to successive orders).

D. Delivery Dates

1. The agreed delivery periods and dates are binding and begin with the order date. Relevant here for the adherence to delivery periods and or dates is receipt of goods/services at the stated receiving point. If delays are expected in the order process then the supplier must inform us immediately and state the reasons for the delay (irrespective of the reasons) and how long the delay will be.
2. If the supplier is behind schedule, TECKOS has the right, irrespective of the damages claim, to a contractual penalty of 1% of the order value per started calendar day, however not more than 20% of the order value; and is entitled to withdraw from the contract, if an adequate extension period has expired without success. We reserve the right not to declare the contractual penalty upon goods/services acceptance. The contractual penalty claim however must be made within 3 months of goods/services acceptance.

E. Risk Transfer

For purchase agreements, the risk shall not pass on to TECKOS until we have received the goods; for works contracts, only following expressed approval.

F. Guarantee and Warranty

1. The supplier guarantees that all goods and services supplied to us are in accordance with our approved patterns, applicable standards (DIN-standards, EG standards), safety regulations and all other agreed properties are in line with Section 434 of the German Civil Code (BGB). The supplier must also ensure that all measurements, weights, goods based on technical drawings correspond exactly to the original order specifications.
2. In as far that plans, drawings, materials and/or accessories are provided to the supplier, they are obligated to check whether these are complete and correct and suitable for the intended purpose, as well as immediately inform us if documents are incomplete or incorrect. If the supplier does not make any objections, then they are entirely bound by the guarantee, in this regard.
3. The time limit for inspection and notification of defects (Sections 377, 378 of the German Commercial Code – HGB) is 10 days. If a defect can only be found after a specific test or examination, or there is a hidden defect then the deadline is 10 days after the defect was discovered. The supplier shall waive the defense of late inspection or late notice of defects.
These regulations also apply to surplus or shortfall supplies, whereby they generally require our expressed approval.
4. Insofar that goods delivered are faulty or assured features are missing, we have the right to demand rectification in line with our requirements. The supplier carries all costs of the rectification, especially transport, road, work and material costs. This also applies even if the costs increase after having been - in line with their purpose - forwarded by us on to our customer. If our customer withdraws from our contract then all costs including all assembly and de-assembly costs at our customer must be reimbursed by our supplier in full. In urgent cases, we retain the right to rectify defects at our customers ourselves, at the expense of our supplier or to acquire replacement goods from third parties. In addition our statutory and contractual compensation claims may not be limited by the supplier whatsoever.
5. The warranty period is 2 years, if there are no other legal duration requirements. The warranty period starts anew with goods which were repaired or newly delivered. A written notice of complaint initiates negotiations with TECKOS in respect of warranty claims and in no way impedes the statutory period of limitation.

G. Invoicing, Payment

1. Payment is due within 14 days with a 3% discount or within 30 days net, if no other written agreement has been made and assuming the suppliers invoice is correct. The time period starts once an auditable invoice and the goods have been received by us and/or services have been rendered.
2. The payment deadline (in accordance with F. 1) lapses the time between a notice of defects and their full rectification.

H. Assignment of debt claims to third parties

1. Within the application scope of Section 399 of the German Civil Code (BGB) any assignment of debt to third parties is not permitted. In so far that this contrasts with Section 354 of the German Commercial Code (HGB), we can however make payment to the supplier as creditor with discharging effect, despite debt having been assigned to third parties.

I. Manufacturer Liability

1. If we are subject to manufacturer liability due to domestic and foreign laws, then the supplier must reimburse us for any resulting damages, product recalls or legal costs in full, insofar and to the extent the supplier is liable. The supplier waives the defense of statutes of limitation, except if we are able to use this defense against our claimant.

J. Materials

1. Materials provided remain our property and should be stored separately and only used for our purchase order. The supplier is liable for loss or damage to our materials. Components provided must all be insured against fire, water and theft through the supplier.
2. The processing and/or re-working of materials, is carried out upon our instruction. We shall under all circumstances become owner of the new products. If external materials are utilized then we automatically have co-ownership.

K. Property Rights, Rights of Exclusivity

1. All items, patterns, technical drawings, plans, models, tools, technical instructions which were provided to the supplier remain our property, must be kept confidential and must be returned to us immediately upon request without cost. Forwarding these on to third parties or using for own purposes is not permitted. The same applies for items that have fully or partially been manufactured at our expense (e.g. forms, tools, appliances). Any amendments to this require our written approval. These components must also be insured by the supplier who is liable for any damage to them or their loss.
2. If in connection with order improvements made by the supplier, we maintain free, non-exclusive rights for commercial use of the improvement and any patent rights.

L. Patent Rights

1. The supplier assume exclusive liability for his goods/services towards third parties for any violation of patent rights in all countries belonging to the European Union, the USA and Canada and in those countries where patent rights have the same applicability as the previously named countries. The supplier is obliged to release us from all third party claims and to reimburse us for all resulting legal expenses.

M. Place of Fulfillment, Jurisdiction Court and Applicable Law

1. The place of fulfillment is the place of destination where the goods/services have been supplied.
2. The jurisdiction court of law is Stuttgart, Germany. We however are entitled to make claims in any other legal court of jurisdiction.
3. The contractual relationship shall be governed by the law of Federal Germany. The application of international sales laws is excluded.

N. Compliance

1. The supplier undertakes to observe all statutory regulations on his conduct with employees, environmental protection and work safety and to reduce the adverse effects of his activities on people and the environment. For this purpose the supplier will introduce and develop a management system in accordance with ISO 14001, to the best of his abilities. Furthermore, the supplier will adhere to the fundamental principles of the UN Global Compact Initiative. These essentially include the protection of human rights, collective bargaining rights, the abolition of forced and child labor, the elimination of discrimination by employment, responsibility for environmental protection and the prevention of corruption. Further information on the UN Global Compact Initiative may be found under www.unglobalcompact.org. In the event that suppliers repeatedly and/or despite having been alerted to behaving illegally and are unable to prove that the violation of law has been remedied or that adequate measures have been introduced to prevent such further violations occurring in the future, we reserve the right to withdraw from existing contracts or to terminate these with immediate effect.

O. Acquisition of Technical Systems and Equipment

1. There is an obligation to implement, state-of-the-art technology, in compliance with applicable laws, regulations and conditions, especially in compliance with Employee's Protection Laws, industrial safety regulations and equipment and product safety (GPSG) and their provisions and technical regulations. The EU directives, especially 97/37 (machinery directive), 73/23 EEC (low-voltage directive) and 89/336 EEC (electro-magnetic compatibility directive) must be adhered to.
2. The supplier must ensure that operational plants do not use more energy than necessary for proper use. Machining systems must aim to utilize drive systems, motors and other components which are as efficient as possible. The total energy requirement of the plant must not exceed that of a comparable reference system of equal construction type, size and output.
3. The nominal output of machinery should be selected to be sufficient and in line with required use and not excessive. Guidelines on nominal output of systems will be set by us (the proposed user).
4. We would like to point out to the supplier that an evaluation of products, equipment and services which have a significant impact on our energy usage are partially based on our energy-related performance. As such we expect active support from the supplier to optimize our energy output, usage and efficiency of the planned operating life of products, equipment and services.
5. The supplier is obligated to inform us on safe operation, necessary maintenance and repair measures and inspections that are required for purposeful use and interruption-free operation and to provide the respective corresponding documentation e.g. maintenance instructions.

P. Terms and Conditions for Architect, Engineering and Other Services

1. Please note that supplier employees, who are on our factory plant premises, must adhere to our safety and conduct regulations.
2. The requirement is to solely utilize electronic equipment in accordance with the German Statutory Accident Insurance (DGUV 3). Responsibility lies with the supplier.
3. It is forbidden to alter settings on any energy supply systems e.g. heating and air-conditioning, unless this is necessary to perform the work. A written approval must be obtained from us beforehand.
4. To keep doors and windows closed.

Q. Amendments, Invalidity Clauses

1. Any amendments to these general terms and conditions of purchase or any other contractual agreements must be made in writing. Should individual parts of this general terms and conditions purchase agreement expire under law or individual agreement, these shall not affect the validity of the provisions remaining.