



Purchasing Terms and Conditions

of Schunk Sintermetalltechnik GmbH, Giessen, Germany
(hereafter SST)

1. General

For all purchasing processes of SST, these Purchasing Terms and Conditions shall apply exclusively.

Any terms and conditions of sale or delivery which deviate from or contradict these Purchasing Terms and Conditions are hereby expressly rejected. Changes or amendments to these Purchasing Terms and Agreements shall only be binding if they are confirmed by us in writing.

In case of new duties, taxes, customs or similar additional costs due to the withdrawal of the United Kingdom from the European Union, those additional expenses will be solely paid by the Supplier of SST.

In addition, SST is entitled to terminate the contract or order with formal notice to the other party if a modification of applicable laws in connection with the withdrawal of the United Kingdom from the European Union changes the circumstances of the agreement significantly. Significant changes shall include but are not limited to:

I. The contractually obliged provision or receipt of goods or services is rendered impossible.

II. If the continuation of the contract would place a substantial and significant financial burden on Schunk.

Business transactions are to preferably be carried out in German or alternatively in English.

2. Offers

Offers from our suppliers are the basis of joint business transactions and cooperative development.

For this reason we attach a great deal of importance to the firmness of offers submitted to us.

We expect complete answers to all questions posed in the enquiry as well as an adequate FMEA.

The supplier is to ensure that its offer takes all requirements and relevant regulations into consideration and that it is founded on an appropriate feasibility study and forward planning.

All offers submitted to us are to be based on the version of our Purchasing Terms and Conditions that is valid at the time of the offer submission and which can be viewed on our homepage (www.schunk-group.com) as well as on our Quality Guidelines (QG1). Furthermore, the respective QAA (Quality-Assurance-Agreement) – provided one has been agreed upon with the supplier – shall apply.

Offers shall be binding unless otherwise stated and shall be valid for a minimum of 6 months. Should the supplier deem it necessary to express restrictions or to stipulate conditions for the validity of its offer, then these are to be listed and validated one by one in the offer.

General references to contrary terms and conditions shall be null and void.

To the extent that the supplier does not specify any qualitative or capacity restrictions with respect to

the feasibility and process reliability of the products and/or services being enquired about, it implicitly and bindingly ensures, in the event an order is placed, that the goods and/or services supplied at the quoted price shall be free of defects and compliant with all specified and required properties and features.

Due to the importance of energy efficiency at the Schunk Group, it is a criterion that is taken into consideration when evaluating offers and suppliers. We therefore request that whenever more energy efficient alternatives exist that offers be optionally expanded to include these variations or information about them.

3. Orders and Order Confirmations

Only orders which are placed in writing shall be binding. Orally placed orders or agreements as well as those made via telephone require our written confirmation in order to become effective.

Every order is to be immediately confirmed and include indication of price and delivery time. If the supplier does not accept an order within two weeks of placement, we shall be entitled to revoke.

4. Delivery Times and Deadlines

Agreed deadlines and delivery schedules are binding. Delivery shall be deemed delayed without a written reminder.

The arrival of the goods at our location, unless another delivery address has been specified, shall be decisive for determining compliance with delivery deadlines. If "ex works" delivery has not been agreed upon, the supplier shall make the goods available to us for loading under consideration of the usual time required for loading and shipping.

If the supplier is not able to comply with the agreed delivery deadline due to circumstances for which it itself is responsible, we shall, without prejudice to any other statutory rights or legal remedies which may be applicable, be, at our discretion, entitled to withdraw from the contract after the lapsing of a reasonable extension of the delivery deadline, to procure replacement from a third party and/or to claim damages for non-performance. We shall be entitled to recovery of all additional costs and expenses which are incurred due to delayed delivery or performance caused by the supplier. The acceptance of late deliveries shall in no way be construed to be a waiver of entitlement to compensation.

If the supplier should foresee difficulties in production or with the supply of raw materials and if circumstances beyond its control arise which will likely prevent a timely delivery or performance in the quality agreed upon, then the supplier shall be obligated to notify the Purchasing Department at SST immediately.

For the determination of quantities, weights and dimensions, the values recorded by our incoming goods inspection shall be decisive unless evidence to the contrary is presented. Excess or short deliveries as well as partial or advance deliveries require our consent.

The supplier shall bear all shipping risk.

Shipments are to be delivered free of freight and/or postal charges. Packaging costs are to be born by the supplier.

5. Transfer of Risk

The supplier shall bear all risk for damage to or loss of the goods up to the acceptance of the goods by us or any agents we may appoint, at the location specified in purchase order.

If a delivery should involve assembly, installation or setup by the supplier our location or at the location of a third party and/or if a formal inspection and approval should be required by contract or by law, then risk shall not pass to us prior to the completion of the said inspection and approval.

6. Prices

Unless otherwise agreed in writing, the prices agreed upon shall be deemed to be fixed prices until full payment.

In the case of defective delivery or service, we are entitled to retain our payment in full, unless good faith gives otherwise.

7. Insolvency of the Supplier

In the event of the insolvency of the supplier, we shall be entitled to retain a reasonable security deposit, which, however, shall be no less than 10 % of the price agreed upon, until the expiration of the limitation period for warranty claims.

The supplier assigns to us its warranty claims against its subsuppliers. In the event of the insolvency of the supplier, we are entitled to disclose this assignment.

Furthermore, we shall be entitled to withdraw from existing orders for goods and/or services which have not been delivered up to that point in time.

8. Invoicing and Payment

The biller sends invoices / billing corrections for Schunk

- only 1-fold
- exclusively in electronic form
- only by e-mail to the address of Schunk
- The document format is PDF / A format only.
- Only invoices / credit notes are to be sent to this e-mail address.
- Only ONE (1) Invoice / Invoice Correction may be sent per e-mail.

If further documents belong to this invoice / invoice correction (formerly called "attachments"), this "attachment" may be sent as a separate file. However, attachments must then have a filename beginning with the term "attachment".
Example: Appendix RE 37629. A single copy of invoices is to be submitted by the supplier, preferably in electronic form.

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Payment will be made when the delivery of the goods or the provision of the services is complete and subsequent to the receipt of invoice.

Unless otherwise specified, a 3 % prompt-payment discount is agreed for payment within 14 days of receipt of invoice and after delivery of goods or provision of services is complete.

For all other cases a net cash payment shall be made within 60 days subsequent to receipt of invoice and after the delivery of the goods or provision of the services is complete.

Payments shall not imply that SST recognizes goods or services as being compliant with contract specifications.

9. Warranty, Notification of Defects, Obligation to Inspect and Give Notice of Defects

Technical specifications as well as the performance data specified by the supplier are considered to be a warranty of their quality and condition.

If there are deviations from the guaranteed specifications, processes which have been agreed upon, guaranteed ratings, operating points, our specifications or the catalogue specifications of the supplier, we shall be entitled to choose from the following remedies: withdrawal, reduction in price, new delivery, on-location repair or compensation for non-performance of contract. Other claims for compensation shall remain unaffected.

In the event of a defect, the supplier shall bear the costs of examining the product and determining the nature and extent of the defect without prejudice to any further claims which we may have.

We are entitled to remedy the defects at the expense of the supplier and without previous notification of the supplier if such remedy is justified by a particular benefit on our side or if there is reasonable cause to believe that removal of the defect by the supplier would entail greater expenses than if we do so ourselves or if a remedy of the defects would lead to such a delay that would impair us in fulfilling our obligations toward our respective contract partner.

We shall be permitted to return goods that are non-compliant with order specifications at the expense and risk of the supplier.

The supplier undertakes to conclude and maintain an appropriate operating and product liability insurance as well as a vehicle recall cost insurance and to provide us with such an insurance confirmation.

The supplier undertakes to conduct a thorough final outgoing inspection of goods prior to delivery. The supplier thus waives the obligation to fulfill the commercial duty of examining the goods and giving notice of defects (§ 377 ff. HGB – German Commercial Code).

The warranty period shall be 3 years unless a longer period is required by law.

10. Liability of the Supplier

We are entitled to compensation for all damages the supplier causes us in connection with delivery. This shall apply in particular to expenses for wasted material and unproductive wages incurred due to concealed defects and to increased costs for meeting our own delivery schedule and other damages resulting from such defects. The obligation to render compensation shall not apply in cases where the supplier can document that it was not at fault for the damages provided that it is not legally liable under the doctrine of strict liability.

If, in the event of a serial defect, a recall and exchange of an entire production series of goods supplied by the supplier or of our goods which incorporate the supplied goods becomes necessary because, for example, an error analysis in individual cases is uneconomical, not possible or unreasonable, the supplier shall provide compensation for all costs connected with the serial defect to include the replacement of parts of the series which are not affected by the defect(s).

If a defect in the service(es) provided by the supplier triggers product liability claims against us, the supplier shall indemnify and/or release us from such product liability. The supplier shall bear all costs, including any recall costs which may be incurred, which arise from product liability. The supplier shall also be liable for any damages which occur due to lack of safety measures or inadequate safety measures.

If the supplier is granted the use of machinery or is permitted to process or treat or modify such machinery or parts thereof, then his liability for damage to such machinery shall be unaffected by such permission.

The supplier is obligated to deliver the ordered goods free of third party rights and to indemnify SST with respect to the goods to be delivered from legal claims of domestic and foreign third parties that may arise from domestic or foreign patents, utility models, copyrights or other rights. In the event of such third-party claim, to compensate SST for any resulting damage. This also includes litigation costs, compensation payments as well as costs incurred for rebuilding and reconstruction.

11. Material Provided by SST, Production Equipment and Supplies, Drawings etc.

Material provided by SST and production equipment as well as drawings, models, samples, tools, gages etc. shall remain our property and are to be labeled as such. The supplier is liable for destruction, loss, deterioration or damage to the extent that it is at fault for such occurrences.

Material and production equipment provided by SST may not be passed on or transferred to third parties, nor may it sold, pledged, used as collateral or used in any other manner other than that agreed upon, without our express consent. The goods produced with such material or production equipment may only be delivered to us.

The same shall apply to production equipment and tools whose manufacturing costs have, by agreement, been completely or partially borne by us.

If SST bears the production costs for such production equipment and tools in whole, then they shall become our property. Until such time as these assets are transferred to us, they shall be kept and maintained with due care for us by the supplier.

In the event that SST has borne such costs on a pro rata basis, then ownership shall be transferred to us at a percentage which corresponds to our participation in the costs unless we effect a payment to offset the difference the percentage of costs borne by us and the total costs.

12. Minimum wage

We may incur a liability from sec. 13 MiLoG (Minimum Wage Act) in connection with sec. 14 AEntG (Employee Assignment Law) if and insofar as the contractor or his subcontractors fail to pay the minimum wage (in full). Therefore the contractor warrants that he and his subcontractors pay at least the minimum wage to his or their employees according to MiLoG in a timely manner and in full. The contractor shall be responsible for reimbursing us for damages incurred by the client because he is

taken to task by employees of the contractor or his subcontractors. Sec. 774 BGB (German Civil Code) shall not be affected.

13. References

The supplier may only make reference to business dealings and relations with us in its advertising material only if it has obtained our express consent.

14. Environment, Energy, Safety, Health

When delivering the supplier complies with the legal regulations as applicable in the European Union and the Federal Republic of Germany, eg. the REACH regulation (regulation EU number 1907/2006), the law about electrical and electronic equipment (Electrical and Electronic Equipment Act) as national implementation of the directive 2011/65/EU and the directive 2012/19/EU and the End-of-life Vehicles ACT as national implementation of the EU directive 2000/53/EG.

The supplier shall immediately inform us about relevant changes in the product due to legal regulations, in particular the REACH regulation, its supply availability, use or quality and shall in individual cases agree with us on suitable measures to be taken. This applies as soon as and to the extent to which the supplier realizes that such changes will happen.

The German motor vehicle manufacturers have listed forbidden and undesirable materials and materials requiring to be declared in catalogue VDA 232-101. The requirements specified therein are to be observed by the supplier and to be carried out on his own responsibility.

Where required by law, the CE symbol must be clearly visibly attached as well as the instruction manual, the conformity declaration and a danger analysis has to be transferred to us. In case of partial machinery the instruction manual for partial machinery has to be delivered to us as well as the Installation manual.

The supplier agrees to an Investigation of the environment, given an appropriate period of notice, by us and/or by customers of Schunk.

Furthermore, the supplier commits himself to a self-employed, optional extension of offers to energy-related products that are more efficient ("economical") alternative items, if possible. Energy efficiency is included as one criterion in the evaluation of offers by SCHUNK. The relevant Information and data of the alternativ products has to be submitted to Schunk.

The supplier shall endeavor to install a certified System of environment and / or energy management, which will cover all the areas of his Operation.

15. Severability Clause

If any provision of these Purchasing Terms and Conditions should become invalid within the scope of other agreements, the validity of all remaining provisions or agreements shall not be affected thereby.

16. Applicable Law, Place of Performance and Legal Venue

The laws of the Federal Republic of Germany shall apply.

The place of performance for all deliveries and services is address for shipments specified by us. If such an address is not indicated and cannot be determined by the circumstances, then the place of performance shall be our Incoming Goods reception. The place of performance for all payments is our business address.

The legal venue is Giessen, Germany. We do, however, reserve the right to file suit in the jurisdiction of the supplier's place of business.