

General Terms and Conditions of Purchase of SENSOPLAN AG

§ 1 General – Scope

- (1) Our General Terms and Conditions of Purchase shall apply exclusively to all business relations with the Supplier; all other terms and conditions deviating from or contradictory to our General Terms and Conditions of Purchase shall not be recognized unless we expressly agree to such terms and conditions in writing. Our General Terms and Conditions of Purchase shall also apply in cases when we accept delivery without reservation despite knowledge of contradictory or deviating terms and conditions of the Supplier.
- (2) All agreements between the Supplier and ourselves which have been reached for the purpose of executing this contract shall be put down in writing in this contract.
- (3) Our General Terms and Conditions of Purchase shall apply to all future business with the Supplier even if not expressly agreed again.

§ 2 Orders – Order documents

- (1) The Supplier shall be obliged to accept our order within a period of two weeks.
- (2) We shall retain the title and copyright to all drawings, illustrations, plans, calculations and other documents and information; they may not be supplied to third parties without our express written consent. They shall be used solely for the purpose of processing the order at hand; upon completion of the order, they are to be returned to us without any request to that effect on our part. They shall not be disclosed to third parties, see also § 9 Para. (3).

§ 3 Prices – Payment conditions

- (1) The price specified in the order is binding. Unless provided otherwise in writing, the price includes delivery “free domicile“, as well as packaging. The return of packaging requires special agreement.
- (2) The statutory value-added tax is not included in the price.
- (3) Invoices can only be processed if these include the respective order number as indicated in our order; the Supplier shall bear all consequences resulting from failure to comply with this obligation, unless he provides evidence that he is not accountable for these.
- (4) Unless agreed otherwise in writing, payment shall be made within 14 days from the date of delivery and receipt of invoice with 3% cash discount or within 30 days of receipt of the invoice net.
- (5) We shall be entitled to set-off and retention rights to the extent permitted by law.

§ 4 Delivery time

- (1) The delivery time specified in the order is binding.
- (2) The Supplier must inform us immediately and in writing should circumstances occur or become apparent that would account for the delay of delivery.
- (3) Should the Supplier fall into delay, we shall have the right to legal recourse. In particular, we shall be entitled to claim compensation when a reasonable time has elapsed to no avail instead of demanding performance or rescinding the contract. Should we claim compensation for damages, the Supplier shall be entitled to provide evidence that he is not liable for the breach of duty.

§ 5
Transfer of risk– Documents

- (1) Delivery shall be made free domicile unless agreed otherwise in writing.
- (2) The Supplier must indicate the order number precisely on all shipping papers and bills of delivery; should he neglect to do so, we shall not be responsible for delays in processing.

§ 6
Defects – Warranty

- (1) The goods shall be inspected by us for any deviations in quality and quantity within a reasonable period; notification of the defect shall be deemed in due time if it is received by the Supplier within five working days from receipt of goods or in the case of a hidden defect from the time it was discovered.
- (2) We shall be entitled to the statutory warranty claims without limitation; in case of defective goods, we shall be entitled, at our option, to request the Supplier to effect remedy or supply replacement. We reserve the right to claim for damages, in particular the right to claim for damages instead of performance.
- (3) We shall be entitled to remedy defects ourselves at the expense of the Supplier, should there be a risk of falling into delay or for the sake of expedition.
- (4) The statutory limitation period is 36 months, starting from the transfer of risk.

§ 7
Product liability – Release – Liability insurance

- (1) If the Supplier is responsible for a product fault, he shall be obliged to release us upon our first request from liability to third parties for damages insofar as the cause can be placed in his domain and organization and he himself is liable vis-à-vis third parties.
- (2) In the context of his liability for damages as indicated in Para. (1), the Supplier shall also be obliged to reimburse any expenses incurred as a result of or in connection with a recall carried out by us pursuant to §§ 683, 670 BGB (German Civil Code) and §§ 830, 840, 426 BGB (German Civil Code). We shall notify the Supplier – wherever possible and reasonable – regarding the content and extent of the recall activities and shall afford him the opportunity to comment on these. All other legal claims shall remain unaffected.

§ 8
Industrial property rights

- (1) The Supplier shall ensure that no property rights of third parties in the Federal Republic of Germany are violated in conjunction with his delivery.
- (2) Should a third party make a claim against us in this respect, the Supplier shall release us at our written request of such claims; we are not authorized to come to any agreements, notably to reach a settlement, with the third party – without the consent of the Supplier.
- (3) The Supplier's obligation to release us from such claims shall be applicable to all expenditures necessarily incurred as a result of or in connection with the third-party claim.
- (4) The statutory limitation period is ten years, starting from the conclusion of the contract.

§ 9
Reservation of title – Contribution of materials – Confidentiality

- (1) We shall retain the title to all parts furnished to the Supplier by us. Processing or alterations undertaken by the Supplier shall be on our behalf. In the event that the goods contributed are processed with other items not owned by us, we shall acquire joint ownership of the new object based on the value of our materials (purchase price plus VAT) in proportion to the value of the other items processed at the time of such processing.

- (2) If the goods furnished by us are inseparably combined with other objects not owned by us, we shall acquire joint ownership of the new object based on the value of the goods contributed (purchase price plus VAT) in proportion to the value of the other items combined at the time of such combining. If the combination is effected in such a way that the product of the Supplier is deemed the primary product, it is agreed that the Supplier shall proportionately assign joint ownership to us; the Supplier shall keep the sole property or resulting joint property in custody for us.
- (3) The Supplier shall be obliged to observe strict secrecy with regard to all illustrations, drawings, plans, calculations and other documents and information received in connection with this contract and not to use such for other purposes. They may not be disclosed to third parties without our express consent. We have exclusive right to any copyrights. The non-disclosure obligation shall also be applicable after termination of this contract; it shall expire if and to the extent that the knowledge contained in the illustrations, drawings, calculations and other documents provided has become part of the public domain.
- (4) If the security interests to which we are entitled in accordance with Para. (1) and/or Para. (2) exceed the purchase price of all our contributed and as yet unpaid goods by more than 10%, we shall be obliged at our choice to release the security interests at the request of the Supplier.

§ 10

Occupational safety – Environmental protection

- (1) Occupational safety is the full responsibility of the Supplier. In performing his deliveries and services, he shall be solely responsible for taking the appropriate accident prevention measures, for maintaining safe building sites and with particular regard to observance of labor protection laws, laws on technical equipment, the relevant accident prevention guidelines, regulations on hazardous materials and the generally recognized safety and occupational medicine regulations.
- (2) The Supplier shall agree to utilize within the scope of economic and technological means environmentally friendly products and processes in the performance of his deliveries and services as well as in subcontracting or ancillary services from third parties and to observe all the applicable environmental protection and waste disposal regulations in fulfilling the contract.

§ 11

Place of jurisdiction and performance – Applicable law

- (1) The place of jurisdiction is our principal place of business; we are however also authorized to bring an action against the Supplier at the court of his residence.
- (2) Unless specified otherwise in the order, the place of fulfillment is our principal place of business.
- (3) All legal relations with our Supplier shall be governed exclusively by the law of the Federal Republic of Germany. Applicability of the United Nations Convention on Contracts for the International Sale of Goods (CISG) is excluded.

Last update: 04/2006