

General Conditions of Purchase

1. Scope of the Order

- 1.1 The scope and execution shall comply with the written Order. No variations of the terms of the Order, amendments or further agreements shall be effective unless agreed in writing by the Purchasing Department issuing the Order.
No part of the manufacture may be delegated to the shop of a third party after Order placement without agreement of the Buyer.
- 1.2 The Seller shall guarantee that all Goods supplied to this Order shall be fit for the particular use for which they are purchased and that all goods and services supplied under this Order shall be in compliance with the acknowledged rules of technology and, in particular, with the applicable regulations and guidelines regarding the execution, prevention of accidents and environmental protection, relevant to the place of destination, issued by the legislator, supervisory authorities, professional associations and organisations.
- 1.3 The Buyer shall have the right to inspect the execution of the Order at the Seller's premises. These inspections do not represent an acceptance as defined by law nor shall the Seller be relieved of any warranty obligations under the Order by any inspection carried out by the Buyer.
- 1.4 If an acceptance is agreed by the two parties, notably evidence of the performance guarantees, the Buyer shall bear the costs he incurs in connection with the acceptance. If the acceptance test shows the product not to be in accordance with the contract, for reasons not attributable to the Buyer, the costs arising from the repetition shall be at the expense of the Seller.

2. Prices and Payment

- 2.1 The prices agreed shall be fixed prices unless otherwise agreed.
- 2.2 The prices of the material supplied shall be free to the jobsite unless otherwise agreed.
- 2.3 Drawings, operating manuals and other technical documentation shall be delivered free works of the Buyer.
- 2.4 The period allowed for payment and discount periods do not begin to run without duly executed despatch note.
- 2.5 No claim for payment shall be assigned to a third party without prior written agreement by the Buyer.

3. Delivery time

- 3.1 Failure to meet schedules agreed for the goods and services shall constitute default on the part of the Seller without reminder.
- 3.2 If the Seller is deemed to be in default pursuant to the previous article, the Buyer shall have the right to require payment of penalty to the amount of 0.5 % for every commenced week, maximum 5 % of Order value. This right shall not be conditional on the Buyer having expressed reservations upon acceptance of the goods and services. The right to assert further claims shall remain unaffected.
- 3.3 The Seller shall immediately undertake to notify the Purchasing Department issuing the Order if unable to meet the agreed-upon schedules.

4. Packaging and shipment

- 4.1 Partial deliveries require written approval. Deliveries to site shall be arranged to suit the erection sequence. In case of doubt, the sequence shall be agreed upon with the Buyer.
- 4.2 If customary, prior to despatch and after prior derusting and removal of scale, the construction parts shall be provided with a priming coat, which shall ensure good coverage and be fit for the intended purpose, and with a top coat. It shall be incumbent upon the Seller to execute the painting and verify its correctness. The Seller shall provide a 3-year guarantee. The guarantee period shall take effect from the date of acceptance. The Buyer shall specify the colour or RAL number.
- 4.3 Plant components shall be shop-assembled, insofar as possible considering the means of transport, and, for the rest, delivered ready for erection. Any divergences therefrom, particularly in case of doubt, shall be agreed in writing by the Seller and the Buyer upon conclusion of the Contract. Otherwise, any additional costs incurred during the erection shall be at the expense of the Seller.
- 4.4 If customary and required, the Seller shall provide the item to be supplied with packaging to suit the mode of dispatch and the destination. Costs of the packaging shall not be borne by the Buyer without prior written agreement of the Buyer.
- 4.5 The duly executed dispatch note shall be sent to the Buyer in duplicate immediately after dispatch. The exact designation of the item to be delivered, quantity, weight (gross and net), kind of packaging and date of dispatch shall be specified on the dispatch note.

5. Warranty

- 5.1 Unless otherwise agreed, the period of warranty for goods and services shall extend 24 months from the date of acceptance or, if no acceptance has been agreed, the date of commissioning.
If the acceptance or the commissioning are delayed for reasons beyond the Seller's control, the warranty period shall terminate 30 months after the last delivery or service at the latest.
- 5.2 The Buyer shall have the right to assert his warranty claims provided by law at his choice during the warranty period. The Seller shall waive the defence of a belated notification of a defect.
- 5.3 In case of minor defects, the Buyer shall have the right to remedy the damage himself or by alternative means and costs so incurred shall be at the Seller's expense. In urgent cases, this right shall also apply to the remedy of larger defects, or to instances in which the Seller is deemed to be in default as regards the remedy of defects. This shall not affect the Buyer's warranty claims.
- 5.4 The warranty period for replaced or repaired components recommences on the date of the repetition of the acceptance or on the date of the re-commissioning.
The warranty period of other plant components, which, as a result of the removal of defects, cannot be operated as intended by the Contract, is extended by the duration of the interruption.

6. Technical documentation, models

- 6.1 All technical documents and models which are made available to the Seller by the Buyer and which are to be sufficiently insured by the Seller for the duration of use, remain the Buyer's property and shall not be made available to a third party without the Buyer's agreement nor used for purposes other than those stipulated in the contract. The technical documents and models shall be returned to the Buyer after the enquiry or placement of the Order. The Buyer reserves all rights in the drawings produced by the Seller according to the Buyer's specifications.
- 6.2 Unless otherwise agreed, the Seller shall transfer all technical documentation belonging to the item delivered to the Buyer at the time of the delivery at the latest and shall ensure transfer of property to the Buyer. The scope shall be as agreed or customary. The Buyer shall not be charged an extra price for this. The Seller's intellectual property shall remain unaffected, however, the Buyer and, if required, his end customer shall have the right to use the documentation for maintenance and alteration purposes as well as for the production of spare parts without incurring any charges.
- 6.3 The Seller shall not be relieved of any warranty and guarantee liabilities by the Buyer's approval of the Seller's drawings, calculations or any other documents.

7. Industrial property rights

The Seller shall hold the Buyer free and harmless from and wholly indemnify against claims arising from infringements of any industrial property rights. The Seller shall indemnify the Buyer against all claims arising out of any infringement of industrial property rights.

8. Liability

- 8.1 The Seller shall accept liability for goods and services of his sub-contractors as for his own goods and services.
- 8.2 The Seller shall indemnify the Buyer and hold him harmless against any damages or compensation payable to any person in the employment of the Buyer or others resulting from any accident or injury arising in connection with the execution of the Order. This shall also apply to any damages caused to public or private facilities (e.g. supply lines) during the execution of the Order.
- 8.3 The Seller shall indemnify the Buyer and hold him harmless against any legal claims arising from infringements of the regulations pursuant to paragraph 1.2.

9. Place of performance, jurisdiction

- 9.1 The place of destination shall be the place of performance, the Buyer's place of business shall be the place of payment.
- 9.2 All disputes arising out of the contractual relationship shall be resolved in a court of competent jurisdiction for the location of the Buyer's place of business. The Buyer shall also have the right file an action at a court of competent jurisdiction for the location of the Seller's place of business. This agreement on jurisdiction applies if the Seller is a merchant.

10. Severability

In the event that any of the provisions of these conditions shall be rendered partially invalid under the law, the remaining provisions shall remain in full force. Such invalid provisions shall be replaced by a provisions which come closest to the intention of the Contract.



GEBR. PFEIFFER AG
Barbarossastraße 50-54 · D-67655 Kaiserslautern