

General Purchase Conditions for Materials and Components

AEB GF Piping Systems f Mat u Zukauft 08 11-e.doc

General

- 1 These Conditions govern all supplies of materials and components to manufacturing plants of GF Piping Systems in Europe.
- 2 By accepting our order or by supplying the goods ordered, the Supplier is deemed to have accepted the present conditions.
- 3 Only orders in traceable form (in writing, by Telefax, E-Mail) are binding. Verbal orders or orders by phone as well as changes and additions to our order shall be binding only if confirmed by us in traceable form. Terms at variance with our General Purchase Conditions and additional terms, including reservations regarding price or exchange rates, as well as, in particular, deviating General Conditions of Sale and Delivery of the Supplier shall be valid only if accepted by us in traceable form.
- 4 The Supplier is kindly asked to immediately return his order confirmation and to notify the exact delivery date.
- 5 The assignment of the order in whole to third parties shall require our prior consent in traceable form.
- 6 The Supplier shall be liable for all costs incurred by us as a consequence of his failure to observe our instructions or due to faulty or not validly agreed deliveries.
- 7 These General Purchase Conditions shall equally apply to future orders.
- 8 Our employees are forbidden to accept gifts, commissions or other compensations of whatever kind.

Prices and Transport Costs

- 9 Unless otherwise agreed, the prices are considered firm.
- 10 In case of orders showing no price or an indicative price only we reserve the right to approve the price following the receipt of the order confirmation.
- 11 Unless otherwise agreed the goods have to be supplied DDP (Incoterms 2010) to the destination named in the purchase order.

Invoice and Payment

- 12 Invoices are to be submitted immediately following dispatch of the goods to the address indicated in the order.
- 13 The Supplier may not claim payments being contingent on the fulfilment of his obligations, prior to the fulfilment of such obligations, unless the non-performance shall be caused by our acts or omissions.

Delivery

- 14 Deliveries arriving without the required transport documents shall be stored at Suppliers expense and risk until such documents are properly supplied.
- 15 Part shipments and advance deliveries require our prior consent.
- 16 Deliveries by messengers are only be deemed effected if evidenced by delivery notes properly countersigned by us. Deliveries are to be made to the respective departments of our works.
- 17 The time of delivery shall be of essence. The time of delivery is met, when the goods have arrived at our works. Foreseeable delays hindering the timely delivery in whole or in part shall be notified immediately specifying the reasons for and the estimated duration of the delay. Such notice shall without prejudice to our remedies at law (e.g. partial or total termination or rescission of the order).
- 18 In case of the delay, the Supplier shall not be excused by missing documents, hardware or components to be supplied by us unless he has timely requested their supply. In such case, the parties shall mutually agree on a reasonable extension of the delivery period.
- 19 The risk in the goods ordered shall pass on us upon their arrival at the place of fulfilment, or, if an acceptance test is agreed, upon successful completion of said test.

Packing

- 20 The Supplier has to arrange for appropriate packing at his own costs and shall be liable if the goods are damaged on transport due to faulty packing.
- 21 At our election, the Supplier shall credit us with the price charged for packaging material returned by us free of charge or shall provide for a pertinent refund.

Notification of Defects

- 22 Without being bound by statutory inspection periods, we shall examine the goods supplied at our earliest convenience.
- 23 By making payments or conducting pre-shipment tests, we are not waiving our legal remedies for faulty deliveries.

Warranty

- 24 The Supplier warrants that the goods have the agreed qualities, are fit for the purpose under the contract and generally are free from defects impairing their value or fitness for the agreed or normal use.
- 25 The goods must comply with all applicable laws, regulations and accident prevention rules being in force in Buyer's country. In addition to that the supplier warrants that the goods are free from any radioactivity.
- 26 In case of defects in the goods supplied we shall be entitled to avail ourselves of the pertinent remedies at law. However we shall only be entitled to rescind the contract if the Supplier, within a

reasonable period, has been unable or unwilling to repair the defect or to replace the defective product at his expense. In case of urgency or if the Supplier is defaulting in his obligation to remedy the defect, we are entitled to have the defects remedied at Supplier's cost.

- 27 The Supplier shall reimburse the costs of dismantling defective goods or products which have become defective as a result of defective goods supplied by Supplier as well as the costs of reinstalling goods or products being free from defects.
- 28 Unless otherwise agreed, the warranty period shall be 30 months following the receipt of the goods in our works. To the extent the parties have agreed on subjecting the goods to a functional acceptance test in our works, the warranty period shall commence with the signing of the acceptance protocol.
- 29 Claims for defects, which have been duly notified during the warranty period shall be time-barred 12 months after the expiry of the warranty period.
- 30 Defective goods or parts thereof shall remain at our disposal up to their replacement or cancellation of the contract. Following replacement the defective goods are placed at Supplier's disposal in our works.
- 31 The warranty for replacement and repairs shall be the same as agreed for the original delivery; the warranty period for replaced parts shall start running anew. This shall equally apply to replaced parts and components.

Product Liability, Insurance

- 32 The Supplier shall indemnify us against any claims, damages, losses, liabilities, suits and expenses arising from the supply of defective goods or services.
- 33 The Supplier shall take out and maintain product liability insurance providing for a world-wide coverage of at least EUR 5 Mio per incident in case of injury, illness or death and /or damage to property as well as for a coverage of at least EUR 0,5 Mio. per case and calendar year for the costs of dismantling and reinstallation. The limitations of the insurance coverage shall not be construed to be limitations of Supplier's liability.

Tools, Patents, Drawings, etc.

- 34 All data, drawings, equipment, patents, tools, models, etc. placed by us at Supplier's disposal for the manufacture of the goods shall remain our property and may not be used for other purposes, copied or disclosed to third parties. Copyrights therein shall remain vested in us. All documents shall be returned, free of charge, as soon as they are no longer needed for the execution of the order. If no deliveries are agreed, the documents shall equally be returned to us.
- 35 Products manufactured according to our drawings, patents, confidential data, our tools or copies thereof, shall not be used by the Supplier for his own use nor may they be offered or delivered to third parties. This shall equally apply to printing orders.

Secrecy

- 36 The Supplier shall treat the order and all related deliveries as confidential.

Industrial Property Rights

- 37 The Supplier warrants that the goods and services supplied do not infringe third party property rights. He will indemnify us from any third party claims related thereto.

Place of Performance

- 38 Place of performance for the goods and the services shall be the agreed place of destination. Place of performance for the payment shall be the registered office of the business unit having placed the order.

Jurisdiction and Applicable Law

- 39 Exclusive place of venue for any differences shall be our office having issued the order. We shall however be entitled to bring actions in any other competent courts.
- 40 In case of disputes all supplies shall be subject to substantive laws in force at Buyer's place of business, excluding any conflict of laws provisions, deliveries from abroad in addition to the UN Convention on the International Sale of Goods of 11.4.1980.

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