1. General
Any orders placed by us shall only be subject to the following purchasing conditions for the duration of the business relationship. Deviating, opposing or supplementary general terms and conditions of the supplier shall not be valid, even if we do not expressly object to them from case to case, except if we have expressly agreed to such conditions in writing beforehand. By accepting our order, the supplier accepts the exclusive application of these purchasing conditions.

2. Conclusion of the Contract
2.1 Our orders shall be binding at the earliest at written submission or confirmation.

2.2 Where our orders do not expressly contain a commitment period, the supplier is asked to confirm our order in writing within a period of one week from the date of the order, under indication of the order number and date (confirmation of acceptance regarding written orders must contain information as well. Receipt of the written order confirmation by us shall be relevant for timely acceptance. Deviations from our order shall be marked clearly in the order confirmation, they shall be deemed a new offer that must be accepted by us.

2.3 Our orders and the supplier's order confirmation shall meet written form if submitted by telefax or email.

3. Delivery Time and Delivery Default
3.1 The delivery time indicated in the order shall be binding. The supplier shall inform us without delay in writing if he cannot comply with the agreed delivery times. In this case, he shall inform us of the new delivery date. Premature deliveries shall require our express consent.

3.2 If the supplier does not render his performance or does not do so within the agreed delivery period or if he enters default, he shall be subject to the statutory provisions. The rules of item 3.3 shall not be affected.

3.3 If the supplier has entered default, we may charge a contractual penalty at 1% per week or part thereof of the contract price. Penalty payments shall be due as soon as the supplier has failed to perform any of the obligations under the contract. The rates of the defaulting rate. In addition, the supplier shall bear all costs and expenses incurred, including the costs of prosecution, as well as any drawings and samples, must be returned to us unprompted after completion of the order unless otherwise agreed. They shall be returned to us without our advance written consent.

4. Delivery, Packaging, Insurance and Energy Efficiency
4.1 Deliveries within Germany shall be made "free domicile" to the location indicated in the order, unless agreed differently in writing. The supplier shall ensure proper packaging and provide any necessary documents.

4.2 The supplier shall choose the solution that is most beneficial for us in terms of transport methods and time.

4.3 All shipping documents and all documents connected to the delivery contract shall include the item designation as well as our material and order number, the order date, the order quantities and the type of packaging. The supplier shall be liable for the consequences of inaccurate consignment notes.

4.4 The risk of accidental destruction and accidental deterioration of the goods shall be assumed by the supplier. It shall only pass to us at handover at the place of performance (see item 15).

4.5 Regarding packaging, the supplier shall comply with the relevant statutory provisions, specifically the packaging regulations. If the supplier demands removal of packaging material, this shall be clearly marked on the delivery documents. If such notes are not present, we shall have the right to dispose of the remaining at the supplier's expense. This shall also apply to disposable packaging materials.

4.6 Efficient use of energy is an important part of our corporate philosophy. Environmentally conscious and protective use of natural resources as well as energy-saving and environmentally compatible procedures shall be mandatory. The supplier shall inform us of energy saving measures for evaluation of energy efficiency upon our request. All applicable laws and regulations regarding environment protection and environmental impact are respected by the supplier.

5. Export Rules and Compliance
5.1 The supplier shall be obliged to meet all requirements of the applicable national and international customs and foreign trade law and shall include all information in the order confirmation, invoice and consignment notes that we need to comply with national and international customs and foreign trade law. The information required for this specifically includes indication of the export list and/or ECCN number and the statistical stock number.

5.2 The supplier commits to complying with the laws of the respective applicable legislation and our compliance code of conduct; the compliance code of conduct can be viewed at www.dmcmori.com.

5.3 The supplier will comply with the statutory provisions of the minimum wage act (Mindestlohngesetz; MiLoG) as amended from time to time, and specifically, settle and pay out the statutory minimum wage with his workers in time. The supplier shall hold us harmless against any third-party claims (especially workers and social security offices, tax authorities), which are due to violation of his obligations under the MiLoG. This shall apply accordingly in case of violation of the MiLoG and the social security contributions charged to suppliers and/or lessors charged by the supplier or their subcontractors and/or lessors. The obligation to hold harmless shall apply both to liability under civil law and to fines under public law that are imposed due to violations of the MiLoG. The obligation to hold harmless shall also extend to any claims of social insurance companies and tax authorities. Apart from this, the supplier shall hold us harmless against any required costs (especially court and lawyer's costs) that arise in connection with violations of the MiLoG. Further damages claims to our benefit shall not be affected.

5.4 If the supplier culpably violates the obligations from this item 5, we shall have the right – notwithstanding any further claims – to declare rescission of the contract according to the proviso of the statutory provisions or to terminate the contract.

6. Prices and Payment Conditions
6.1 The prices named in the order shall be fixed prices. Without any deviating written agreement, the fixed price shall include all services and secondary services of the supplier (e.g. mounting, installation) and any secondary costs (e.g. for proper packaging and transport, including any transport and liability insurance, customs handling for import).

6.2 Invoicing shall take place without delay after the delivery in duplicate. The invoice shall name the order number, item number, item name, item description, invoice price, quantity, invoice amount, net price, VAT and the supplier number. While this information is missing, invoices cannot be settled.

6.3 If prices expressly agreed on differently, payment shall be made within 14 days of complete delivery and performance and receipt of a proper invoice minus 3% discount, or net within 30 days.

6.4 We shall not owe any interest on maturity. We shall enter default according to the statutory provisions, with a written reminder by the supplier being required for this in any case, deviating from the law.

6.5 Set-off and retention rights, as well as the objection of the contract not being met shall be due to us at the statutory scope. We shall specifically have the right to hold back due payments while we still have any claims against the supplier from incomplete or defective performance. The supplier shall only have the right of setoff or retention due to finally determined or undisputed counterclaims.

6.6 The supplier shall not have the right to assign his claims against us to third parties without our advance written consent.

7. Liability for Defects
7.1 Our rights in case of defects of material and title in the goods and in case of any other violations of obligations by the supplier shall be according to the statutory provisions, where not deviated.

7.2 The commercial examination and complaint obligations shall be subject to the statutory provisions with the following proviso: our examination obligation shall be limited to defects that are openly evident during our incoming goods inspection under external inspection, including the delivery documents, and during our quality control in the random procedure (e.g. transport damage, wrong and underdelivery). Apart from this, it shall be relevant in how far examination of reasonable undoubted non-compliance of the individual circumstances of the proper course of business. Our obligation to report defects discovered later shall not be affected. In any case, our complaint (report of defect) shall be deemed without delay and in time if received by the supplier within 10 working days.

7.3 If the supplier does not meet his obligation to subsequent performance – according to our choice by removal of the defect (improvement) or delivery of a new good free of charge (replacement delivery) within an appropriate period set by us, we may remove the defect ourselves and demand reimbursement for the corresponding compensation payment from the supplier. If subsequent performance but does not meet his obligation to subsequent performance, our supplier has failed or is unreasonable for us e.g. due to particular urgency, danger of the operational safety or a threat of incurring proportional damage), we shall not be required to set a grace period; we will inform the supplier of such circumstances without delay and if possible in advance.

7.4 With receipt of our written report of defects by the supplier, the expiration of warranty claims shall be suspended until the supplier rejects our claims or does not meet his obligation to subsequent performance. This period of time extends by the time the supplier requires to settle our examination obligation.

8. Product and Producer Liability: Insurance
8.1. If a third party raises any claims against us due to injury or property damage by way of product and/or producer liability, and if this damage is due to a product from the supplier, the supplier shall hold us harmless against this claim – where he is liable in the external relationship.

8.2 If it is not agreed on differently with us in writing, the supplier shall take out an operating, product and environmental liability insurance with a flat-rate coverage total of at least 5 M EUR per injury/property damage. The supplier shall also maintain financial damage coverage of at least 1 M EUR. The supplier shall submit written proof of the present insurance coverage to us before the first delivery and then at least once per year without prompting.

9. CE Declaration of Conformity/Manufacturer's Declaration
The delivered products must meet the applicable laws and standards regarding the respective product. If a manufacturer's declaration for the product or a declaration of conformity (CE) in the sense of the EC machinery directive is required, the supplier must draw this up and provide it without delay on request.

10. Copyright
In addition to drawings, models or special information, we expressly reserve intellectual property (copyright and other property rights). All information provided to the supplier, as well as any drawings and samples, must not be disclosed to any third parties. The supplier shall be liable for the consequence of any violation.

11. Production Equipment
Materials, samples, drawings or other documents that we provide to the supplier for performance of the order shall remain our property. The production equipment and their reproductions must only be used to perform our order. They shall be returned to us unprompted after completion of the order unless something different is expressly agreed. Drawings and other documents shall only be relevant for the order for which they have been provided. The supplier shall perform the order solely based on the documents provided to him for this purchasing conditions of DMG MORI AG group valid as of 01/2016
order, no matter if there has been any change since the last order or not; the drawings provided to the supplier shall be subject to change management at our company. For the Munich/Geretsried plant, the last submitted drawing with the corresponding change index shall be valid at all times. The supplier shall be responsible for any damage from non-observation of this circumstance. The supplier shall be obliged to treat and keep any production equipment provided to him with care. He shall be liable for damages in case of loss or damage.

12. Processing Orders
12.1 The material delivered by us shall remain our property in any case. In case of processing, we shall acquire title in the semi-finished or finished products, and shall be deemed their manufacturer in the sense of § 950 para. 1 BGB. The supplier shall only be the custodian. This shall also apply if the new products are more valuable than the delivered objects; to keep us safe, the finished goods shall only be deemed as valuable as the objects delivered by us under reservation of title.
12.2 Additional work due to defects of material and deviations of sizes of the provided raw materials must only be charged if they have been approved by us in writing beforehand. Any defects to the material delivered by us that are found during processing must be reported at once; further processing must be ceased until further instructions from us.

13. Spare Parts
13.1 The supplier shall be obliged to provide spare parts for the products delivered to us for a period of at least 10 years after delivery.
13.2 If the supplier intends – notwithstanding item 13.1 – to cease production of spare parts for the products delivered to us, he shall inform us of this without delay.

14. Expiration
The period of expiration for contractual claims from defects shall be three years from the passing of risk (item 4.4), unless the application of the statutory expiration periods leads to a longer expiration period from case to case; in this case, the longer period shall apply. Apart from this, the mutual claims for the contracting parties shall expire according to the statutory provisions.

15. Place of Performance and Place of Jurisdiction
The place of performance for both parties shall be the place of receipt designated by us from case to case. The exclusive place of jurisdiction shall be the location from where the order was placed. The contractual relationship shall be subject to German law under exclusion of UN purchasing law.