

Purchase conditions

I. Validity / General

Our purchase conditions apply to all contracts between suppliers and KÖNIG + Co. GmbH (hereinafter called customer) exclusively. Amendments or supplements have to be done in writing. Deviating or additional contract or delivery conditions of the supplier do not become part of the contract, even if König did not contradict expressly in the single case or even after receipt.

II. Delivery contract/Delivery call-offs

1. Delivery contracts (order and acceptance) and delivery calls as well as their amendments and supplements need to be done in writing. Orders, delivery calls as well as relating amendments and supplements may also be sent by telex.

2. In case the supplier does not accept the order within 8 days after receipt, the customer is entitled to cancel the order. Delivery calls become binding latest, unless the supplier contradicts within 8 days after receipt.

III. Delivery

1. Agreed dates and time limits are binding. The arrival date of the goods at the customer's premises shall be decisive for keeping to the delivery date or time limit.

2. Unless otherwise agreed in the relating order or in the delivery call, the supplier shall deliver carriage paid to the agreed place of use or the stated delivery address.

3. Consignments, for which König has to pay the complete resp. part of the freight charges, have to be despatched at the most favourable freight tariffs. We do not replace cartages and further expenses at the place of receipt. In addition we do not accept any surplus charges which may arise in that case that an accelerated delivery may be needed to meet the delivery date.

4. A despatch note is issued two-fold for each delivery immediately after despatch. The despatch notes have to include our order numbers, a detailed description of the goods and their weight. Each delivery has to be marked clearly with the exact address of the supplier.

5. We accept deliveries by truck from **Monday to Thursday from 06.30 am until 02.00 pm** and on Friday from 06.30 am until 11.00 am.

6. Unless otherwise agreed, partial deliveries are not allowed.

7. Force Majeure, labour disputes, disturbances, legal measurements and further unpredictable, unavoidable and grave incidents release the contractors from their liabilities for the duration of the disturbances and the extent of their consequences. This is also applicable when these incidents occur at a time during which the relevant contractor is in delay.

8. However, the supplier is obliged to inform the recipient immediately about difficulties or delays in delivery in order to avoid damages in time and by mutual agreement.

9. In case of a delivery delay, the purchaser is entitled to charge a penalty of 0.1% of the net value of the ordered goods per working day, however, not exceeding 5% of the ordered value. In case the purchaser has a legitimate claim for compensation due to non-fulfilment, he is entitled to demand the forfeited penalty as minimum amount of the damage. Moreover, the assertion of a further damage is allowed.

IV. Prices, sales condition and payment

1. The agreed prices are firm prices; price increases afterwards will not be accepted. Invoices have to be submitted 2-fold immediately after delivery, indicating our order number. Invoices and further documentation are not to be inside the packed goods in any case.

3. Payment is effected after the contractually agreed receipt of goods and receipt of the duly issued invoice within 14 days with 3% discount or within 30 days net. Upon acceptance of too early deliveries, maturity depends on the agreed delivery date. The discount deadline begins with the date of invoice receipt. The discount can be taken from the down payment as well as from the final payment.

4. Just after a written reminder the purchaser is in a payment delay.

5. Payment is to be effected by remittance or by cheque.

6. In case of insufficient deliveries the purchaser is entitled to hold back payment proportionately to the value of the goods until their complete delivery.

7. Without a previous written consent of the purchaser, the supplier is not entitled to hand over outstanding debts or has them collected by a third party.

8. The supplier is entitled to charge claims with claims of the purchaser unless his claim has proved undisputed or determined legally.

V. Inspection and defects

1. The purchaser has to reprimand obvious defects at the delivered consignment in written form 14 days after their receipt. The same applies for non obvious defects that will be recognized during the course of a proper business.

2. Payment of the invoice is not deemed as approval of the delivery.

VI. Liability for defects

1. Upon delivery of defect goods and before the beginning of further processing, installation or further sale the supplier shall be given opportunity to sort out – as requested by the purchaser – and to repair or to replace. In urgent cases and at a delivery delay, the purchaser shall be given the opportunity – after previous agreement with the supplier – to remove the defect by himself or by a third person. The charges, which will arise, will be borne by the supplier.

2. If a defect is recognized just after further processing, installation or further sale, the aforementioned regulation applies for replacements or repairs accordingly.

3. In case replacement or repairs fail, the purchaser is entitled to resign from the not fulfilled part of the contract after a written warning.

4. The purchaser is responsible for later charges (in particular charges for transport, travel, working and material) even in that case when the goods have been brought to another place after delivery.

5. The supplier releases the purchaser from manufacturer's liability as far as he is responsible for errors causing the liability.

6. Twenty-four months since delivery to the purchaser, claims for compensation come under the statute of limitations. If a defect single part has to be repaired or replaced, the aforementioned statutory period of limitation applies accordingly for this single part.

VII. Reservation of title

The purchaser accepts just a simple reservation of title of the supplier. An extended or prolonged reservation of title shall not be accepted.

VIII. Liability

1. The purchaser is only liable for defects caused by injuries of life, of body or health as well as of injuries of an important contract duty, if the purchaser is responsible for this breach of duty and for damages which have been caused by an intentional or grossly negligent breach of duty of the purchaser. A breach of duty of the purchaser is to be treated the same as if done by his legal representative or by his employee.

2. If the injury of an important contract duty is due to a slight negligence, our liability is limited to those damages that are predictable and typical for the contract.

3. Damages that have been claimed to us come under the statute of limitations within one year after the legal beginning of the statutory period of limitations. However, this is not applicable in case we are held responsible for intentional behaviour.

4. The statutory period of limitations of a damage that is claimed, shall not be impeded by negotiations which are held between the claiming institution and our company resp. representative. In each case negotiations about legal claims shall be deemed as failed, unless the converse has expressly been declared by us or our representative.

IX. Protective rights/observance of secrecy

1. The supplier shall be liable for claims that result from the contractual use of the delivered items of the injury of protective rights and claims for protective rights at home and abroad as far as known or should have known. The supplier releases the purchaser and all his clients from claims resulting from the use of such protective rights.

2. This is not applicable if the supplier of the delivered items has produced those according drawings, templates or similar descriptions or data of the purchaser and if he does not know or if it is in connection with the goods, he produces, not important to know that hereby protective rights may be injured.

3. Drawings, templates, samples and similar items shall not be left or made accessible to unauthorized third persons. This is also applicable if the order has not been carried out resp. has been carried out incompletely or if the order has been cancelled prematurely.

4. The contract parties obligate to treat all not obvious, commercial and technical details, which get known during course of business, as trade secret.

X. Place of performance, place of jurisdiction, applicable law

1. Place of performance is the place of the company's headquarters.

2. For all disputes resulting from the contractual relationship, the legal proceedings must be instituted at the court which has jurisdiction for our principal place of business (Obere Industriestr. 24-26, 57250 Netphen). We are also authorized to institute proceedings at the purchaser's registered office.

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Date: June 2002

3. As a supplement to these conditions, only German law is applicable. The provisions of the agreement dated April 11, 1980 relating to contracts in respect of the international sale of goods (CISG) do not apply.

The standards valid at the time of order are applicable.



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