



General Terms and Conditions of Purchase

Page:1/2
Version: August 2017

1. Scope

1.1 Our General Terms and Conditions of Purchase apply to all our purchasing transactions if the supplier is an entrepreneur, a legal entity under public law or a special fund under public law (§ 310 I BGB). They shall also apply if we accept the delivery without reservation in the knowledge of conflicting or deviating conditions of the supplier; such conflicting or deviating conditions shall only be binding on us if we have explicitly agreed to their validity in writing.

1.2 A written contract or our written confirmation is authoritative for the content of collateral agreements and supplements to our terms and conditions of purchase. Our Terms and Conditions of Purchase shall also apply in their respective version as a framework agreement for future contracts concerning all our purchasing transactions with the same supplier, without us having to refer to them again in each individual case.

2. Orders and conclusion of contract

2.1 If our order is not confirmed in writing by the supplier within ten working days of the order date, we are no longer bound by our order. Late acceptance is considered a new offer and requires our written acceptance.

2.2 If we confirm the conclusion of the contract (order confirmation), it shall be deemed to have been concluded on the confirmed terms if the supplier does not object in writing immediately after receipt of the order confirmation.

2.3 The supplier shall perform service in accordance with the laws of the applicable legal system.

3. Delivery based on sample, variance from sample

3.1 If the delivery of a sample has been agreed, the purchase contract is subject to the condition precedent of approval of the sample (purchase on trial, § 454 BGB), unless otherwise agreed.

3.2 Any deviation from an approved sample requires our prior written consent, which the supplier must apply for by submitting a new sample. The same applies to deviations from release protocols.

4. Performance, delivery time, force majeure and transfer of risk

4.1 The supplier is not entitled to have the service owed by him performed by third parties (e.g. subcontractors) without our prior written consent. The supplier performs his services in compliance with legal requirements, regulations and other legal provisions.

4.2 The delivery time stated by us in the order is binding and is understood from the date of our order.

4.3 The supplier shall inform us immediately in writing of force majeure and other obstacles to performance for which the supplier is not responsible. In the case of such impediments to performance, the delivery times and periods shall be extended by the period of time between receipt of the notification and the end of the impediment to performance; the same shall apply accordingly in the case of such impediments to performance in our sphere for acceptance and other cooperation dates to be observed by us. If, however, the delivery is no longer economically usable for us due to the delay on the part of the supplier, we may withdraw from the contract.

4.4 Delivery within Germany is "free domicile" to the place specified in the order. If the place of destination is not specified and nothing else has been agreed, the delivery shall be made to our registered office in Fulda. The respective place of order is also the place of performance (obligation to deliver).

4.5 All deliveries shall be accompanied by a delivery note stating the number, dimensions and weight as well as our order data. In the case of wagon loads, the weights determined by the railway at the receiving station shall be decisive for invoicing.

4.6 Even if dispatch has been agreed, the risk shall not pass to us until the goods are handed over to us at the agreed destination.

4.7 Unless otherwise agreed, goods will only be accepted from Monday to Thursday from 07.00 to 14.00 hours. Any costs arising from non-compliance with this requirement shall be borne by the supplier.

5. Dispatch, Packaging

5.1 If the dispatch of the goods has been agreed, the supplier shall send us a dispatch note with the same contents separately from the delivery note.

5.2 If our packaging or shipping instructions are not observed, we are entitled to refuse acceptance of the goods

5.3 The supplier shall take back packaging material at our request and at his own expense.

6. Prices and Payment Conditions

6.1 The price stated in the order is binding. Unless otherwise agreed in writing, the price includes delivery and transport to the shipping address stated in the contract, including packaging.

6.2 If, according to the agreement reached, the price does not include shipping and packaging, the supplier shall choose the most cost-effective mode of dispatch, whereby he shall always bear the carriage charge at the place of departure and receipt. The packaging - not only made available on loan - is to be charged at verifiable cost price.

6.3 The agreed price shall be due for payment within 30 calendar days of complete delivery and performance and receipt of a proper invoice. If we make payment within 14 calendar days, the supplier shall grant us a 3% discount on the net amount of the invoice.

6.4 All invoices shall be issued to us in triplicate and shall bear our order number, article number and the supplier's delivery note number.

6.5 We are entitled to set-off and retention rights as well as the plea of non-performance of contract to the statutory extent. The supplier has a right of set-off or retention only because of legally established or undisputed counterclaims.

7. Compliance with laws, regulations, code of conduct

7.1 The supplier shall comply with all relevant international, European and national laws, regulations and decrees of the export country, the import country and the country of destination specified by KGM or KGM's customers. These also include ethical principles and the KGM Code of Conduct (see <http://www.kgm-kugeln.de>). KGM expects suppliers to respect social rights (freedom of association, no discrimination, free choice of employment, no child labour and remuneration, working hours, health and safety at work).

7.2 Conflict minerals: According to the US Dodd-Frank Act, section 1502 of the U.S. Securities and Exchange Commission, the supply chain for gold, tin, tantalum and tungsten up to the smelting of metals must be transparently documented; the smelters must be approved in accordance with the "Conflict Free Smelter Program" under <http://www.conflictreesmelter.org/cfshome.htm>. KGM is obliged to meet this requirement or to pass it on to its suppliers in the supply chain on the basis of customer-specific requirements. If the product provided by the supplier contains conflict minerals, the supplier is obliged to send KGM by transmitting the CMRT (Conflict Minerals Reporting Template, see: <http://www.conflictreesourcing.org/conflict-minerals-reporting-template/>) all relevant information at the latest at the time of initial sampling. The supplier shall also send an annual update of the CMRT by the end of quarter 1

8. Warranty

8.1 In the event of defects, we are entitled without restriction to the statutory claims, in particular the warranty period of two years.

8.2 Defects detected during the incoming goods inspection or during processing shall be deemed to have been notified immediately and in good time if the defect notification is received by the supplier within seven working days.

8.3 We do not waive warranty claims through a confirmation of receipt of goods, acceptance or approval of samples or specimens presented.



8.4 If we consider further inspections - including 100% inspections - of the entire delivery and/or further deliveries of the same goods to be necessary and appropriate due to individual defects at our discretion, the supplier shall bear the resulting costs even if no defects become apparent in the subsequent inspections.

9. Confidentiality and Retention of Title

9.1 Production aids of any kind, such as models, samples, drawings, technical regulations or tools, which we make available to the supplier, remain our property. They may not be used for the supplier's own purposes or for the purposes of third parties - in particular: production for third parties - or passed on to third parties. Such production aids shall be kept confidential and shall be returned immediately upon our request without retention of copies or duplicates in proper condition, at the latest, however, when the order has been completed or it has been determined that no order will be placed. The supplier shall provide us with ownership of such means of production, which the supplier manufactures on our behalf at our request at any time. The confidentiality obligation shall not expire until and insofar as the knowledge contained in the documents provided has become generally known.

9.2 In each case of breach of duties in accordance with the aforementioned Clause 8.1, the supplier shall pay us a contractual penalty amounting to 5 % of the gross value of our order, but at least 5% of the sales value of the goods manufactured using such production aids. If we have placed several orders, the calculation of the contractual penalty shall be based on the value of all orders. We reserve the right to claim any higher loss incurred by us.

9.3 The transfer of the goods to us is unconditional and irrespective of the payment of the price. Excluded are any and all forms of extended or prolonged retention of title, so that any retention of title effectively declared by the supplier shall only apply until the goods delivered to us have been paid for and to them.

10. Occupational safety and environmental protection

10.1 Please send us the current technical data sheets and the safety data sheet (preferably in file form by e-mail) when a substance is supplied for the first time, when the specifications have been changed or after your documentation has been revised or updated.

10.2 When an order is placed for services performed on the premises of KGM Kugelfabrik GmbH & Co KG, the work instruction AA-U-01 becomes an integral part of the contract and must be strictly observed. At the same time, the supplier undertakes to perform his services in accordance with KGM's corporate policy, the KGM Code of Conduct and its objectives. These can be found at www.kgm-kugeln.de

10.3 The supplier shall comply with generally applicable laws. This also includes substance bans and restrictions based on national, European and international regulations and legal provisions.

11. Supplier recourse

Before acknowledging or fulfilling a claim for defects asserted by our customer, we will inform the supplier and ask for a written statement with a brief explanation of the facts of the case together with the probable amount of damage. If the statement is not made within a reasonable period of time and if no amicable solution is reached either, the claim for defects actually granted by us shall be deemed owed to our customer; in this case, the supplier shall be responsible for providing evidence to the contrary.

12. Choice of law and place of jurisdiction

12.1 If the supplier is a merchant within the meaning of the German Commercial Code, a legal entity under public law or a special fund under public law, the exclusive - including international - place of jurisdiction for all disputes arising from the contractual relationship shall be our place of business in Fulda. However, we are also entitled to file an action at the supplier's registered office

12.2 The contractual relationship shall be governed by German law.