

# General Terms and Conditions of Purchase of VS Vereinigte Spezialmöbelfabriken GmbH & Co. KG

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## § 1 Application

These Terms and Conditions of Purchase apply to all the business transactions with the supplier or other contractors (hereinafter called the "Supplier") even if these Terms and Conditions are not mentioned in connection with subsequent orders. They also apply if the Supplier - particularly when accepting the order or in the order confirmation - refers to his own Terms and Conditions of Business and we do not expressly contradict them. Variations from these Terms and Conditions of Purchase are only valid if we confirm such variations in writing.

## § 2 Code of Conduct

Our Code of Conduct applies in its latest version. This can be found here (PDF document).

## § 3 Orders

3.1. Suppliers' offers are binding and free of charge to us.

3.2. Orders - whether issued orally or by phone - are only binding on us when we have confirmed them in writing (by our Purchase Department). We issue orders exclusively on the basis of the terms which are stated in the written purchase or other order and, save as provided otherwise, these Terms and Conditions of Purchase.

3.3. Business correspondence printed out by IT equipment (e.g. orders, invoices) is also binding in law even without a signature.

3.4. Drawings and tolerances specified by us are binding. By accepting the order, the Supplier confirms that he has informed himself of the nature and scope of the goods and services to be supplied by perusal of the order documents. We are not bound by obvious errors, spelling errors or errors in calculations in the documents and drawings we provide. The Supplier is obliged to inform us of errors of this type so that our order can be corrected and replaced. This also applies to missing documents.

3.5. Orders must be confirmed to us within five working days otherwise we are entitled to cancel them.

3.6. Variations from our orders in respect of quality and quantity as well as in other respects are only deemed to be agreed if we have confirmed our acceptance of such variations.

3.7. If the Supplier manufactures and / or supplies in accordance with the plans, samples and drawings stipulated etc., the Supplier is obliged to check on his own responsibility whether the technical specifications underlying our order correspond with the version of the documents available with the Supplier (comparison of the date of the plan and the drawing version). Furthermore, the supplier is obliged to check whether goods he has delivered comply with the latest ruled and regulations - e.g. German DIN-regulations or applicable accident prevention regulations and the current state of the art - with regard to the probable use by us or our end customer. We are not obliged to accept deliveries of goods which do not correspond with our order including the specified drawing date and specific product requirements. Your point of contact for any missing or divergent drawings appears in the letterhead of the written order. In so far as we provide material for processing, the Supplier must subject this material to appropriate checks prior to processing.

## § 4 Prices and terms of payment

4.1. The agreed prices are firm and include all associated costs such as packing, insurance etc. They are free delivered to the consignee's premises. The Supplier must ensure that the goods are insured up to receipt by the consignee. The Supplier will not apply any prices and conditions to us which are less favourable than those applied to other customers if and in so far as the other customers provide the Supplier with equal requirements or requirements of an equal value.

4.2. If the goods cannot be accepted due to force majeure, claims by the Supplier for counter-performance or compensation are excluded. In such a case the Supplier must store the goods at his own expense and risk until such time as we accept them.

4.3. Save as otherwise agreed, we pay after 30 days with a 3 % prompt payment discount or 60 days net; these periods are calculated from receipt of the invoice and assume that the goods have been properly received.

4.4. Invoices, delivery notes, order confirmations, test certificates and other documents and correspondence must contain our complete order identification, position number, product code and order number. Invoices and delivery notes must be supplied in duplicate. If the Supplier fails to comply with these requirements in spite of further requests from our part to do so, invoices are deemed not to be received until all points have been clarified or completed by the Supplier.

4.5. The Supplier's accounts receivable from us may only be assigned to third parties with our consent. Payments will only be made to the Supplier.

## **§ 5 Deliveries and delivery periods**

5.1. The goods must be received at the delivery point we specify on the delivery date or within the time period indicated by us which commences on the date of our order. Direct deliveries must be advised to our Purchasing Department by means of an advice note. Additional costs for express delivery necessary to comply with the delivery date are for the Supplier's account.

5.2. The Supplier must comply with the agreed delivery time. The reservation of timely delivery to the Supplier is excluded. The Supplier must inform us immediately if delays are to be expected and obtain our decision on whether the order is to remain in force or not. If the Supplier fails to comply with the delivery date and any grace period we define, we are entitled at our option and without prejudice to any further claims in law to withdraw from the contract or to require compensation for breach of contract. The Supplier must also reimburse us for all additional costs arising as a result of the delayed delivery.

5.3. If the Supplier is late, we have the right to impose a contractual penalty 0.4 % of the net order value per week or part week of lateness up to a maximum of 5 % and / or to withdraw from the contract. Payment of a contractual penalty will be offset against our claim for compensation which remains unaffected in other respects.

5.4. If the Supplier is unable to maintain delivery due to force majeure he must so inform us without delay. In this case we are entitled either to extend the delivery/acceptance period or, if our interest in the delivery is significantly reduced, to withdraw from the contract in whole or in part or to require a reduction in price.

5.5. Delivery and transportation are at the Supplier's expense and risk and are to be made to the address we specify. Partial deliveries are only permitted with our written consent otherwise we are entitled to refuse to accept the delivery. Partial deliveries are on no account to be considered as a free-standing transaction. The quantity outstanding is to be indicated in writing.

5.6. We are not obliged to accept the goods before the end of the delivery period.

5.7. All goods without exception, including individual packages in a stillage or on a palette, must be clearly marked with the VS article number, the VS order identification the VS article designation and the quantity delivered. The delivery of different articles in/on a single palette without detailed marking of the individual articles is prohibited unless an agreement to the contrary in each individual case was reached with us in advance. All delivery notes and/or transport documents must be attached in a clearly visible position on each delivery.

5.8. We are only obliged to accept deliveries if they are made on returnable load make-up accessories (EURO stillages, EURO flat palettes). Use of disposable palettes or palettes of special sizes may only be made with our prior agreement. The maximum palette height is 1000 mm. Palette heights over 1000 mm are only allowed with our prior agreement. The weight of an individual palette may not exceed 1000 kg. For reasons of handling, the weight of individual packages may not exceed 15 kg. For further information see packaging manual.

## **§ 6 Acceptance**

6.1. We are only obliged to accept the goods we have ordered if they correspond with the order and/or samples supplied by us in respect of specification and quality.

6.2. Depending on the agreement reached, works test certificates must be supplied with each individual delivery or delivered to us without delay.

6.3. We may reject the goods if the "zero defects" requirement is breached.

6.4. We may reject and claim for deliveries which fail to correspond with our orders in respect of the delivery periods and the scope of delivery. The Supplier has to bear the resultant costs.

## **§ 7 Claims for defective goods**

7.1. The Supplier expressly warrants that the goods he has sold are in accordance with the trials or samples he supplied and which we approved, with our order and, in so far as our order was placed only with reference to an offer made by the Supplier, with such an offer. The supplier warrants furthermore that the goods he has delivered comply with the latest ruled and regulations - e.g. German DIN-regulations or applicable accident prevention regulations and the current state of the art - with regard to the probable use by us or our end customer.

7.2. We are not constrained by any time period in respect of investigations conducted on the goods supplied or on the notification of complaints of any nature whether obvious or concealed. Claims for defects which are not detected and reported until goods are processed or transformed or are detected at our customers' premises are deemed to have been notified in good time. In the event of defective goods, we are entitled at our option to require subsequent performance, a price reduction, rectification of the defects free of charge or to withdraw from the contract.

7.3. If the Supplier fails to comply with our demand for rectification of defective goods or for subsequent performance within the time allowed, we are entitled to demand compensation. In every case the Supplier must bear all costs which arise from the supply of defective goods. This also applies to costs which arise as a result of the defective goods being delivered to our customers and being repaired or replaced right there or after retrieving the defective goods, on site in our factory.

7.4. If the goods delivered to us by the supplier are subject to the conditions set out in § 439, paragraphs 2 and 3 of the German Civil Code and if a claim is made against us by one of our customers or a client of one of our customers in respect of the cost and effort involved in dismounting the defective product and installing or fixing a rectified product or supplied product that is free from defects, then the supplier must reimburse us for all claims enforced against us without this giving the supplier the right, with regard to us our customers, to perform the disassembly or re-installation work itself.

7.5. The Supplier's warranty obligations extend for five years from receipt of goods.

7.6. We may return defective goods freight forward.

7.7. Unless determined to the contrary in the above, claims for defective goods are governed by the statutory provisions.

## § 8 Intellectual property rights

8.1. The Supplier warrants that no third party patent or intellectual property rights are infringed as a result of his supplies of goods and services to us. He will indemnify us and our customers against all claims arising from the culpable infringement of such intellectual property rights.

8.2. This does not apply in so far as the Supplier has manufactured the goods he supplied in accordance with the drawings, models or other similar descriptions we supplied or in another form and he remained blamelessly unaware that intellectual property rights were infringed thereby.

## § 9 General liability

9.1. The Supplier will indemnify us against claims which third parties file against us as a result of culpably defective

performance on the part of the Supplier. The same applies for claims in respect of product liability arising from defective performance by the Supplier.

9.2. The Supplier guarantees us the timely payment of the applicable minimum wage or a higher remuneration and the timely fulfillment of other claims for payment pursuant to the provisions of the German Minimum Wage Act (Mindestlohngesetz, MiLoG) and / or the German Employee Secondment Act (Arbeitnehmerentsendegesetz, AEntG) or other arrangements on the basis of these laws to / towards his employee(s). The supplier is liable to us without limit and in full for the fulfillment of all claims and demands resulting thereof. Furthermore, the Supplier ensures that the above provisions are being equally applied to the commissioning of a subcontractor or a subcontractor chain. On our request the Supplier will grant us to the information necessary for the verification of the compliance with legal regulations and provide us with any required documentation. He furthermore agrees to cooperate in defending any claims against us for reasons of payments based on the employers' liability under the German Minimum Wage Act or the German Employee Secondment Act.

## § 10 Tools and drawings

10.1. All drawings, models, tools, testing equipment, samplers, lay-outs and the like which we make available to the Supplier remain our property and may not be passed to third parties or used for promotional purposes without our written consent. The Supplier must return them to us without being so requested immediately on completion of the order or at the end of the supply relationship.

10.2. Moulds, tools, devices and similar which are made or acquired in whole or in part at our expense become our property on acquisition. The Supplier must store them carefully for us and maintain or replace them so that they are ready for use at any time.

10.3 In the event of problems in manufacturing and delivery on the part of the Supplier, especially in the cases of § 4.2, sentence 4 and § 6.3, sentence 1, we are entitled to require that the tools, moulds, devices and similar which we paid for in whole or in part are handed over to us immediately free of charge; the Supplier has no right of retention of such items.

10.4. Manufacturing equipment, control units, metrology equipment and measuring instruments must be designed to be capable of calibration. Articles which are ordered must be delivered in a state capable of calibration; this basic calibration is included in the prices offered.

10.5. Products manufactured or designed with the manufacturing equipment listed in § 10.1 and 10.2 may only be supplied to third parties with our written consent.

## **§ 11 Custody, title**

11.1. Material which we supply remains our property. It is to be stored separately as such and may only be used for our orders. The Supplier is responsible for deterioration or loss even regardless of fault.

11.2. Goods manufactured with material we provided are our property when finished. The Supplier will keep these goods for us; the storage costs of the goods and materials stored for us are included in the sales price.

## **§ 12 Business secrets**

The Supplier is obliged to treat our orders and all related commercial and technical details as a business secret.

## **§ 13 Rescission**

We are entitled to withdraw from the contract in whole or in part without any obligation to pay compensation if a) the Supplier's financial situation deteriorates in such a manner that in our estimation the performance of the contract appears to be jeopardised or b) the Supplier has suspended payments c) extra-judicial or judicial insolvency proceedings have been initiated or insolvency proceedings have been refused for lack of assets.

## **§ 14 Place of performance and place of jurisdiction**

14.1. The place of performance for deliveries and the place of jurisdiction is Tauberbischofsheim/Germany. An alternative agreement may be concluded for deliveries.

14.2. The law of the Federal Republic of Germany applies exclusively; the uniform international convention on the sale of goods is excluded.

14.3. If a provision of these Terms and Conditions of Purchase or of any other contractual agreement with the Supplier should be or become invalid, the validity of the other provisions or agreements is not affected thereby.

14.4. All previous conditions of purchase lapse on receipt of these General Terms and Conditions of Purchase.