

Additional Conditions for the Purchase of Machines, Equipment and Assembly Services of the Schaeffler Group

1. The supplier shall check completeness and accuracy of information and documents made available by us and shall correct them after consultation with us and shall also immediately demand any lacking information and documents in addition. The supplier may invoke default of information and documents to be delivered by us only, if it has demanded them in written form in good time and has sent at least one reminder in written form.
2. Prior to the beginning of the production, all production documents such as drawings shall be submitted to us for approval. Claims for liability for defects and other claims against the supplier shall not be affected by an approval.
3. All documents to be supplied therewith have to correspond to the actual design of the supplied article and have to comply with the relevant provisions and standards, including our company standards. The documents shall be supplied in the agreed number in German language on data carriers. Versions in other languages have to be agreed upon separately.

Even without a separate agreement, mounting instructions and operating instruction shall also be supplied to us from which the entire handling of the supplied article can be inferred. In addition, all documents required for repair, servicing and maintenance of the supplied article shall also be supplied.

4. Elements and parts of the supplied item have to be designed and arranged according to the latest state of the art and science such that they can be serviced, checked, repaired and replaced quickly and easily. Wearing parts have to be designed and arranged such that they have a long service life.
5. The supplier shall present, immediately after the conclusion of the contract, a production plan from which the production progress per calendar week can be gathered. Irrespective thereof, the supplier will report to us the production progress every four weeks.
6. We shall be entitled, with previous notice, to inspect the producing firms of the supplier and its sub-suppliers during normal business hours in order to check the production and the production progress of the article to be supplied. The supplier shall provide us with all information required for such inspection.
7. If advance payments have to be made, the supplier shall present an unlimited absolute guarantee of a credit institution accepted by us, in which the credit institution undertakes to pay to us a sum up to the amount of the advance payment by waiving the plea of voidability, the plea of capability of set-off and the plea of unexhausted remedies.
8. If an assembly is stipulated by contract, it shall also comprise all necessary additional services such as the provision of the required scaffolds, utensils, lifting devices, tools, etc.. If an assistance from our side is agreed upon, said assistance will be rendered at the expense and risk of the supplier.

The supplier shall correlate with us the dates for the assembly work in good time. Prior to the beginning of the work, the supplier shall check the foundations and the supply points as well as all other circumstances relevant for a proper assembly.

The supplier shall inform us in writing on the current status with respect to the persons commissioned by it with the assembly work at our factory. We are entitled to reject staff members or agents of the supplier for good cause. In this case, the supplier shall immediately provide for a reliable replacement. The calling of sub-suppliers requires our prior written consent.

The supplier shall ensure that its staff members and agents follow our instructions and undergo the controls usual at our factory.

Work that has to be performed at our factory premises shall not obstruct the working activity more than unavoidable.

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We shall be entitled to check all objects introduced into our premises or removed from our premises. On delivery and redelivery, the supplier shall provide us with lists in which the objects are specified. Objects which remain owned by the supplier have to be characterized as such with the firm or the trademark of the supplier. We shall not be liable for violations of the property of the supplier at our works.

Water, compressed air and current will be provided by us at the given supply points. If additional supply lines and conduits and supply points are required, the supplier shall arrange for them and maintain them at its own expense and risk and has to remove them again after completion of the assembly work.

The supplier shall notify us of fire-hazardous work prior to the beginning thereof. Unless otherwise agreed in written form, the supplier shall be responsible for a fire guard during and after termination of the fire-hazardous work.

9. The agreed prices are firm prices. The supplier shall only then be entitled to remuneration of additional services if a written agreement has been agreed upon with us prior to the performance of said additional services.
10. We shall be entitled to carry out, prior to delivery, at the supplier's premises a pre-acceptance with functional testing, in case of machine tools also a geometrical checking according to DIN ISO 230-1, a test according to VDI/DGQ 3441 (statistic testing of the working and positioning accuracy) as well as according to DIN 45635 (noise level test). The date of the pre-acceptance shall be proposed to us by the supplier in good time, at least, however, 4 weeks in advance, and has to be agreed upon with us. Not later than one week before the pre-acceptance, all documents required for the pre-acceptance shall be provided to us by the supplier. The supplier shall place all tools, devices and materials required for the carrying out of the pre-acceptance at our disposal without charge.

An examination of the production output shall be agreed upon separately in any case.

11. The supplied article will be submitted to a functional testing or - if agreed - to a trial run at our factory. For the functional testing as well as for the trial run, a proper instruction of our staff by the supplier as well as a four weeks smooth run under series conditions have to take place. On this occasion it has to be evidenced that the supplied article provides the performances as agreed upon in the contract. During the functional testing and during the trial run we shall be entitled to use the machine for production. After carrying out the functional testing and the trial run, the machine will be removed. We shall draw up an acceptance record on the acceptance, which shall be signed by the supplier and us.
12. Pre-acceptance, functional testing, trial run and acceptance will be carried out at the expense and risk of the supplier, wherein the supplier shall provide suitable testing and measuring means as well as sufficient supervisory staff. Operating staff and materials for the functional testing and the trial run will be provided by us.

If the pre-acceptance, the functional testing, the trial run or the acceptance have to be interrupted, extended or repeated due to reasons for which the supplier is responsible, the supplier shall bear all costs and disadvantages resulting for us therefrom.

13. After the acceptance we shall be entitled to use the supplied article and all documents to be delivered therewith in an unrestricted manner.
14. If the operation of the supplied article is subject to an official approval, the supplier shall procure said approval at its own expense.
15. Unless otherwise agreed, the limitation period for claims for defects in quality and defects of title shall be 36 months from the date of acceptance, unless applicable statutory law provides for a longer limitation

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period. If the acceptance is delayed without the supplier being responsible therefore, the limitation period begins with the provision of the supplied article for the acceptance.

The limitation period for spare parts shall be 24 months computed from the date of putting them into operation, not exceeding, however, 36 months after our receipt of the spare parts.

16. The supplier shall be obliged, for the duration of 10 years computed from the acceptance, to deliver spare parts and to carry out repair work. Spare part deliveries and repair work shall be carried out pursuant to the conditions which apply to the original delivery.
17. In all other respects, our General Conditions of Purchase shall apply.

Schaeffler Group