1. Area of application and conclusion of contract

1.1 The given terms and conditions (hereinafter referred to as “Terms & Conditions of Purchase”) shall apply to all supplies/services rendered by the Contractor to SMS Elotherm GmbH as the Purchaser (“Supplies”).

1.2 These Terms and Conditions of Purchase shall apply exclusively; any other terms and conditions, irrespective of whether they are contained in, attached to or otherwise communicated, shall either be disregarded or be deemed as additional terms and Conditions or supplement them, shall not become part of the contract, even if the Purchaser does not expressly object to them. Fulfillment by the Contractor of the purchase order placed by the Purchaser shall be considered as acknowledgement of these Terms and Conditions.

1.3 Purchase orders and agreements shall only be binding if they have been placed or confirmed in text form or in electronic form by the Purchaser. Text form refers here to the transmission by telefax, computer fax, or e-mail, whereby the issuing company and the issuing person must be clearly identifiable. Purchase orders and agreements shall have effect if there is a corresponding note on the order form (e.g. PDF document). The receipt of purchase orders must be confirmed to the Purchaser without delay, and no later than 7 calendar days following receipt, by the same means described above. After this period the Purchaser shall have the right to revoke the purchase order.

1.4 Changes to the content of the contract must be made in text form.

1.5 The subconracting of orders requires the prior approval of the Purchaser in text form or in electronic form.

2. Prices and terms of payment

2.1 The agreed prices shall be deemed fixed prices and shall apply free to the place of use including packaging and freight costs – plus the applicable value added tax. If the agreed price is “EXW” or “FCA”, the Purchaser shall bear only the most favorable freight costs. All costs arising up to the delivery to the carrier (including loading but excluding carriage) shall be borne by the Contractor.

2.2 If in exceptional cases prices have not been agreed in advance, they shall be specified bindingly in the order confirmation. The Purchaser shall be entitled to reject the price and/or rescind the contract.

2.3 Unless agreed otherwise, the Purchaser shall be entitled to a 3% (three percent) discount if the payment is effected within 2 (two) weeks of delivery and receipt of the invoice. Otherwise the payment shall be 60 (sixty) days net following delivery and receipt of invoice, without any discount. If the Contractor has rendered construction work and has not submitted an exemption certificate, the Purchaser shall deduct a tax amount of fifteen percent (15%) from the respective gross invoice amount.

2.4 Any assignment of claims against the Purchaser requires the Purchaser's prior consent in text form or in electronic form.

2.5 The Contractor has only the right of retention or to offset any claims against the Purchaser insofar as such claims are uncontested or have been found to be legally effective.

2.6 Invoices must comply with the applicable legal requirements. The invoice must include the complete order number. Each invoice must also show the VAT separately. Invoices must not be attached to the shipment, but rather sent separately to the invoice address specified in the purchase order for each order immediately after delivery. If these obligations are not met, the invoice cannot be processed and is not deemed to have been received.

2.7 Payment periods shall commence upon delivery of the goods to the place of receipt (shipping address) or acceptance of the work, though not prior to receipt of a proper and verifiable invoice at the invoice address specified in the purchase order.

2.8 Payments shall be made subject to the correctness of the invoices and the contractual conformity of the delivery.

2.9 The Contractor shall be entitled to offset debt claims or against debt claims, whether due or not due, including those arising in the future, to which SMS group GmbH or a company in which SMS group GmbH holds a direct or indirect share of at least 50% is entitled vis-à-vis the Contractor or which the Contractor has asserted against one of these companies. The Contractor shall, upon request, receive information on the company's affiliation with SMS group GmbH.

2.10 Any kind of retention of title, such as, though not limited to, an extended or expanded retention of title, shall be excluded unless the Purchaser has expressly confirmed acceptance in the purchase order with reference to these General Terms and Conditions of Purchase.

3. Legal provisions and trade terms

3.1 Insofar as these General Terms and Conditions of Purchase do not comprehensively regulate the legal relationship between the parties, statutory regulations shall apply.

3.2 The ICC Incoterms in their latest version valid at the time of conclusion of the contract shall apply to the interpretation of the trade clauses.

4. Delivery and delivery time

4.1 The place of fulfillment for the delivery is the place of receipt specified by the Purchaser.

4.2 Partial deliveries and/or deliveries before the agreed date expressly require the Purchaser's prior consent in text form or in electronic form. Any extra costs incurred through partial delivery or advanced delivery, such as freight etc., shall be borne by the Contractor unless the Purchaser has expressly requested such deliveries and has expressly agreed to assume such costs.

4.3 The agreed delivery dates are binding. If the Contractor realizes that he will not be able to meet a delivery date, he shall inform the Purchaser in writing without delay in order to enable the Purchaser to make alternative arrangements if required.

4.4 If the Contractor is in delay, the Purchaser shall - at the end of a reasonable grace period - be entitled to demand, at his discretion, fulfillment of delivery and compensation for damages due to the delayed delivery or, instead of fulfillment, to demand compensation for damages due to non-fulfillment and to rescind the contract. If the delay in delivery or the defective performance is due to reasons that are attributable to the Contractor, he shall pay a contractual penalty of 0.2% of the order value per day of delay, maximum 5% of the order value. The unconditional acceptance of the delayed delivery shall not constitute a waiver of the claims to which the Purchaser is entitled as a result of the delay.

4.5 The Payment of any contractual penalties shall not release the Contractor from his obligation to fulfill the contract. The Purchaser reserves the right to assert further claims.

5. Shipping and packaging

5.1 In case of delivery on call or in case of interim storage upon the Purchaser's request, proper storage shall be ensured. The invoice, delivery note and dispatch note shall be submitted to Purchaser in due form.

5.2 The Contractor shall be liable for the consequences resulting from any incorrect bill-of-freight declaration. The dispatch note shall be submitted immediately upon dispatch of each individual consignment. If the shipping documents fail to show the respective place of destination, department, order number, reference note or note of issue, all costs thereby incurred shall be borne by the Contractor.

5.3 Goods shall be packed in such a way that damage in transit is avoided. Packaging materials shall be used only to the extent required. The Contractor shall take back the packaging in accordance with statutory requirements.

5.4 The Contractor shall take out transport insurance to cover his interests. In addition, the Contractor shall take out a liability insurance customary in the industry at his own expense for damages caused by him, his personnel or commissioned third parties through the delivery of the goods. Both insurance certificates must be provided to the Purchaser on request. Any further claims for damages to which the Purchaser may be entitled beyond the sum insured under the insurance policies shall remain unaffected.

6. Drawings, execution documents, tools

6.1 Drawings and other documents, devices, models, tools and other means of production provided to the Contractor remain the property of the Purchaser. The title to tools and other production equipment paid by the Purchaser shall be assigned to him. The aforementioned items must not be scrapped, reproduced, or made available to third parties, e.g. for the purpose of manufacturing, without the Purchaser's prior consent in text form or in electronic form. They may not be used for any purposes, e.g. supply to third parties, other than those stipulated in the contract.

6.2 The aforementioned items shall be carefully stored by the Contractor at the Contractor's expense for the Purchaser during the execution of the contract. Care, maintenance and partial replacement shall be subject to the agreements between the Contractor and the Purchaser. The Purchaser reserves all rights to drawings or products made according to the Purchaser's specifications as well as to any processes developed by him and for him.
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6.3 If software is part of the delivery, the Purchaser shall have the right to use and exploit it for his own purposes. In addition, the Purchaser shall be entitled to make a backup copy also without express agreement with the Contractor.

7. Requirements concerning the deliverable / IP

7.1 The Purchaser's manufacturing instruction SN 200 contains mandatory minimum requirements for the Contractor. Unless agreed otherwise, the requirements set forth therein shall be met. Furthermore, any standards applicable to the delivery, such as, though not limited to, DIN, EN, and ISO, shall be complied with, and documented quality assurance, which is commensurate with the type and scope of the delivery, as well as the quality control thereof, must be ensured. If, in individual cases, deviations from the manufacturing instructions and/or the applicable standards are necessary, the Contractor shall obtain the Purchaser's prior consent in text form or in electronic form. However, such consent shall not release the Contractor from any of his contractual or legal obligations.

7.2 Having given prior notification, the Purchaser shall be entitled to check compliance with the necessary standards either himself or to have them checked by third parties commissioned by the Purchaser.

7.3 The Contractor shall transfer to the Purchaser ownership of all documents (including those from subcontractors as well as technical documents) that are required for the delivery. The Contractor shall grant the Purchaser the right to make repairs or modifications (or have them made) to the deliverable and to his manufacture spare parts himself or have them manufactured by third parties. The Contractor shall grant to the Purchaser the right to use the deliverable for any and all purposes; this right shall be non-exclusive, transferable, irrevocable, and unrestricted with regard to content, time, and location. Such purposes include, among others, the right of processing, distribution, and reproduction. In the case of deliverables manufactured individually for the Purchaser, the Contractor shall also grant a right to use and dispose thereof.

7.4 The Contractor must supply deliverables as spare parts to the Purchaser at appropriate market prices for a minimum period of twelve (12) years.

8. Technical changes

The Purchaser shall be entitled to demand that the Contractor carries out any change which the Purchaser considers as necessary or expedient within the scope of the manufacture of the machines and systems. Should any such changes lead to postponements of delivery dates and/or to additional costs, the Supplier shall inform Elotherm hereof within 5 (five) working days. In this case, a change shall only become binding when a written agreement has been concluded between both Contract Parties for this purpose in which, as appropriate, the amended delivery schedule and/or the additional costs, including the costs of the postponed delivery, are set out. After these 5 (five) working days, the Contractor shall have no claim to postpone any delivery dates or additional cost.

9. Liability for defects

9.1.1 The Contractor shall warrant that any supplies conform to the state of the art, the applicable legal regulations and rules and directives of authorities, employers' liability insurance associations and – if submitted – to the Purchaser's drawings and specifications. If deviations are necessary in individual cases, the Contractor must obtain the Purchaser's prior consent in text form or in electronic form. However, such consent shall not release the Contractor from any of his contractual and/or legal obligations. The Contractor's liability shall also extend to parts manufactured and/or supplied by subcontractors.

9.1.2 The Contractor shall be obliged to use environmentally friendly products and processes for his supplies, including sub-supplies or additional services by third parties, within the scope of economic and technical possibilities. The Contractor shall be liable for the environmental compatibility of the delivered products and packaging materials and for all damage arising from the violation of his statutory disposal obligations. Upon request of the Purchaser, the Contractor shall issue a certificate of quality for the goods supplied.

9.1.3 Upon receipt of the goods and insofar as this corresponds to appropriate and standard business practices, the Purchaser shall inspect the goods for identity, completeness, and externally visible damage, in particular damage in transit, and shall notify the Contractor of such damage without delay. If an inspection and acceptance agreement has been made, there shall be no obligation to examine goods received.

9.1.4 If the items delivered are defective, the Contractor shall remedy the defect without delay at his expense, including any incidental costs – also covering reassembling and assembling costs – at the Purchaser's discretion by either repairing or replacing the defective parts. In addition, the Purchaser shall be entitled to any other remedies provided by law.

9.1.5 If the Contractor does not fulfill his obligation of subsequent performance within a reasonable period set by the Purchaser, the Purchaser may remedy the defect himself, or have it remedied by third parties, at the expense and risk of the Contractor without prejudice to the Contractor's other liability for defects.

9.1.6 In urgent cases, in order to avert acute risks or avoid serious damage in the event that it is not possible to wait for subsequent performance by the Contractor, the Purchaser may, without prejudice to his statutory rights in respect of defects, take the measures necessary for subsequent performance himself or have them performed by third parties at the expense and risk of the Contractor. In the interest of smooth and uninterrupted production, the Purchaser or a third party may remedy minor defects himself, or have them remedied, without prior consultation with the Contractor, and may charge the expenses incurred hereby to the Contractor; this shall not affect the Contractor's liability for defects.

9.1.7 If the Contractor has assumed a guarantee for the quality or durability of the deliverable, the Purchaser shall be entitled to assert claims arising from the guarantee in addition to his warranty rights.

9.2 Defects of title

The Contractor warrants that his supplies or the use of his supplies do not infringe the intellectual property rights of third parties, in particular patents and utility models, trademarks, copyrights and competition rights, business and trade secrets. If the use of the items delivered results in an infringement of intellectual property rights of third parties, the Contractor shall, at the Purchaser's discretion, either obtain for the Purchaser or the Purchaser's customer the right to continued use, or modify the delivered items in a manner, which the Purchaser can be reasonably expected to accept, that eliminates the infringement, without impairing the original agreed quality, performance, or performance guarantees. In addition, the Contractor shall indemnify the Purchaser and his customers, insofar as this is permissible, from all claims of third parties, and shall bear their legal fees. Claims arising from defects in title shall not expire provided that the third party is still able to assert this right vis-à-vis the Purchaser.

9.3 Unless otherwise agreed, the limitation period for warranty claims shall be 36 (thirty-six) months after acceptance of the supplies by the Purchaser or delivery by the Contractor to the third party named by the Purchaser, unless the law provides for a longer limitation period. For supplies which were newly delivered in full or in part or which were replaced or repaired, the limitation period shall start again from the date of the new delivery or repair.

10. Product liability

10.1 Insofar as the Contractor is responsible for damage in accordance with the Product Liability Act, he shall be obliged to indemnify the Purchaser against any claims for damages by third parties upon first written request. This shall also apply if the Purchaser and the Contractor are jointly and severally liable towards the injured third party in accordance with the Product Liability Act.

10.2 In addition, the Purchaser shall be entitled to reimbursement of all costs and expenses incurred by him in this connection, in particular due to recall actions initiated by him. The Purchaser shall inform the Contractor, as far as possible and reasonable, of the type and scope of recall actions.

10.3 Paragraphs 9.1 – 9.2 shall apply mutatis mutandis insofar as product defects are attributable to supplies by upstream suppliers or subcontractors of the Contractor.

10.4 Further statutory claims shall remain unaffected.

11. Data protection

11.1 The Contractor shall undertake to observe and implement the provisions of the German Federal Data Protection Act and the European General Data Protection Regulation.

11.2 If the Contractor processes such data at a location outside a member state of the European Union or a contracting state of the European Economic Area, the Contractor shall enter into supplementary agreements with the Purchaser, to ensure that an adequate level of data protection is provided by the Contractor; if the Contractor engages subcontractors for this purpose, the Contractor shall, at the Purchaser's request, ensure that they conclude corresponding agreements with the Purchaser.

11.3 The Contractor shall undertake to collect, process, disclose, make accessible or otherwise use personal data exclusively for the purpose of fulfilling the contract and to store such data only for this purpose, and after fulfilment of the contract only for the purpose of fulfilling statutory storage obligations. The disclosure of personal data to third parties, unless the Contractor is legally obliged to make such disclosure, requires the Purchaser's prior consent in text form or in electronic form.

11.4 The Contractor shall ensure that all persons employed by him within the scope of this assignment are briefed on data protection prior to their deployment and undertake to observe data secrecy in accordance with Section 53 of the German Federal Data Protection Act; and after May 25, 2018 - during and after also
11.5 The Contractor shall take due care to ensure that all persons entrusted with the processing and fulfilling of the order observe the statutory provisions on data protection, including the GDPR, and do not pass on information obtained from the Purchaser’s domain to third parties or otherwise exploit said information.

11.6 If the Contractor processes personal data from the Purchaser as the object of the order/service, the Contractor shall additionally comply with any agreement with the Purchaser on data protection and data security in contractual relationships in accordance with Section 62 of the German Federal Data Protection Act (BDSG) or, from May 25, 2018, in accordance with Art. 28 Para. 3 of the EU General Data Protection Regulation (GDPR) and provide the necessary information in the form of the supplier questionnaire provided by the Purchaser if required.

11.7 Upon request, the Contractor shall provide the Purchaser’s data protection officer with all required information, prove data protection by means of a data protection concept if required, and hand over the required documents.

12. Export control and customs provisions

12.1 The Contractor shall be obliged to inform the Purchaser actively and comprehensively of any goods-related licensing obligations and export restrictions for his goods in accordance with German, European, and U.S. export regulations when confirming the order, and shall be liable for damages and expenses as well as for fees, customs duties, and penalty payments in the event of infringement.

12.2 If the proofs of preference/movement certificates are inconclusive or erroneous or if the Contractor is not in a position to provide the Purchaser with the certificates, the Contractor shall be obliged to present or have presented the certificates, documents, or other authentic documents, and remain his property at the processing stage, and may only be used as intended, to the exclusion of the further disclosure of the confidential information, and, where permitted, this shall apply beyond the term of employment of the relevant employee. This shall also apply to subcontractors to the extent to which the disclosure of information is necessary in order for them to draw up a quotation for the contractual purpose. The Contractor must provide written evidence of this upon request. Companies affiliated with the Contractor shall not be regarded as third parties insofar as they are working on the contractual purpose and provided that the relevant confidentiality obligations corresponding to this confidentiality agreement have been have placed on them, unless they are in competition with the Purchaser. The Contractor shall undertake to inform the Purchaser immediately as soon as he becomes aware of any infringement of this confidentiality agreement. The Contractor shall bear full liability in the event of an infringement.

12.3 The Contractor shall guarantee that the personnel used for the production, storage, processing, loading, shipment, and receipt of such goods is reliable and that he has verified that none of said personnel is on the currently applicable EU sanctions lists. Furthermore, the Contractor shall guarantee that all business partners acting on his behalf are informed that they must also take measures to securely store the aforementioned supply chain. The Contractor declares that he agrees to compare his data with the currently applicable EU sanctions lists.

12.4 If the Purchaser or his customers are subject to additional charges imposed by a customs authority due to their own erroneous certificates of origin, or if the Purchaser or his customers suffer any other pecuniary loss as a result, the Contractor shall bear liability for this if the error is based on incorrect information on the origin given by the Contractor.

13. Parts supplied by the Purchaser

The materials provided by the Purchaser (materials, models, containers, tools, data, drawings, designs, software) shall be processed on behalf of the Purchaser and remain his property at the processing stage, and may only be used as intended, and, where permitted, this shall apply beyond the term of employment of the relevant employee. This shall also apply to subcontractors to the extent to which the relevant confidentiality obligations corresponding to this confidentiality agreement have been have placed on them, unless they are in competition with the Purchaser, contractor or, as was previously stated, to the Contractor as a result of his own activities. Moreover, the confidentiality obligation shall not apply if confidential information has to be disclosed by the Contractor in accordance with a court order or an order from an administrative or government body, provided that the Contractor informs the Purchaser of such an order immediately in writing and thus gives him the opportunity of contesting the need for disclosure or of applying for an appropriate order of nondisclosure or another court order – in all cases provided that the relevant proceedings permit the above-mentioned notification of the Contractor.

14. Confidentiality and industrial property rights

14.1 All information by or relating to the Purchaser or by or relating to its related companies in connection with and during the course of the cooperation, or by assigned representatives, consultants, or other partners, including, though not limited to, any end user-specific information and names, specifications, calculations, layouts, drawings, project designations, technical, commercial and/or business information, content and objectives, and all data and documents, irrespective of the form or nature in which these are transmitted, e.g., in electronic form, verbally, or by other means, must only be used for the initiation or performance of the contract, must be kept strictly confidential, and may only be passed on to those individuals or, in the case of their third parties, to the Contractor in such a manner that the Contractor informs the Purchaser of such an order immediately in writing and thus gives him the opportunity of contesting the need for disclosure or of applying for an appropriate order of nondisclosure or another court order – in all cases provided that the relevant proceedings permit the above-mentioned notification of the Contractor.

14.2 Non-confidential information shall be considered to be any information which can be verified to have been known to the Contractor before it was disclosed with no obligation to maintain secrecy; was communicated or made accessible to the Contractor by an authorized third party with no obligation to maintain secrecy, provided that the third party did not violate any confidentiality obligation by handing over the information; is publicly known, apparent, or generally available, and/or is or becomes state of the art without this being attributable to the Contractor, or was previously disclosed to the Contractor as a result of his own activities. Moreover, the confidentiality obligation shall not apply if confidential information has to be disclosed by the Contractor in accordance with a court order or an order from an administrative or government body, provided that the Contractor informs the Purchaser of such an order immediately in writing and thus gives him the opportunity of contesting the need for disclosure or of applying for an appropriate order of nondisclosure or another court order – in all cases provided that the relevant proceedings permit the above-mentioned notification of the Contractor.
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16.1 The Contractor shall ensure that the employees employed by him or his subcontractors or temporary employment agencies to execute contracts with the Purchaser receive the statutory minimum wage pursuant to the German Minimum Wage Act or at least the minimum hourly wage on the basis of the statutory ordinance issued pursuant to Section 3a of the German Labor Leasing Act, or, if the services to be rendered fall within the scope of application of the Posted Workers Act, the respectively prescribed minimum wage for the sector. Furthermore, he shall ensure that mandatory obligations to pay contributions to social insurance institutions, employers' liability insurance associations and other bodies, such as joint bodies of the parties to the collective agreement referred to in Section 8 of the German Posted Workers Act, are fulfilled.

16.2 When selecting subcontractors or temporary employment agencies, the Contractor shall check that the preconditions set out in Paragraph 15.1 have been fulfilled and shall oblige the subcontractors or temporary employment agencies in writing to comply with them. Furthermore, he must obtain written confirmation from them that they will demand compliance with the requirements by subcontractors or temporary employment agencies commissioned by them.

16.3 In the event that the Purchaser has been legitimately held liable by an employee of the Contractor, or by an employee of a subcontractor employed by the Contractor, of any degree whatsoever, or by a temporary employment agency as a guarantor for payment of the statutory minimum wage or industry minimum wage, or by one of the institutions of the parties to the collective agreement referred to in Section 8 of the Posted Workers Act for the payment of contributions, the Contractor shall indemnify the Purchaser against these claims.

16.4 The Purchaser shall be entitled to terminate the contract with the Contractor without observing a period of notice if the Purchaser is legitimately held liable based on the liability as guarantor according to the German Minimum Wage Act or the Posted Workers Act.

16.5 Furthermore, the Contractor shall be liable to the Purchaser for any damage incurred by the Purchaser as a result of culpable non-compliance with the obligations set out in Paragraphs 15.1 and 15.2.

16.6 Illegal employment of any kind is prohibited.

16.7 The Contractor shall be responsible for ensuring that his supplies comply with the provisions of Regulation (EC) No. 1907/2006 concerning the Registration, Evaluation, Authorization and restriction of Chemicals ("REACH regulation"). In particular, the Contractor shall be responsible for ensuring that, if required by the provisions of the REACH regulation, the substances contained in the products supplied by the Contractor have been registered and that the Purchaser is provided with appropriate safety data sheets according to the provisions of the REACH regulation. If the Contractor supplies products within the meaning of Art. 3 of the REACH regulation, he shall be responsible for duly fulfilling his obligation to provide on sufficient information in accordance with Art. 33 of the REACH regulation.

17. Compliance / code of conduct

17.1 The Contractor shall comply in all respects with the laws and regulations of the applicable legal system, including, though not limited to, regulations on anti-trust law, corruption prevention, data protection, and export control.

17.2 The Contractor declares that he is familiar with, and that he shall comply with, the Purchaser’s Code of Conduct, the latest version of which can also be downloaded from the Internet site www.sms-group.com. The Contractor shall take all reasonable measures to this effect and shall consult the Purchaser in the event of problems and uncertainties. The Contractor shall obligate his subcontractors in writing by comparable means and shall submit this written proof to the Purchaser on request.

17.3 If there is any suspicion that the Purchaser’s compliance principles and requirements are not being adhered to, the Purchaser reserves the right to demand information on the relevant facts and circumstances and, if required, to conduct his own investigations, for which the Contractor shall provide his support. If the Contractor violates one of the obligations mentioned in Section 16 of this document, or if a claim is made against the Purchaser, the Contractor shall be entitled, without prejudice to further claims, to demand compensation, terminate the contract or withdraw from it, and the Contractor shall indemnify the Purchaser against all claims.

18. Statutory limitation

Claims against the Purchaser based on or in connection with his purchase order shall expire two (2) years after the date of receipt of the delivery and the invoice. If the date of receipt of the delivery and the date of receipt of the invoice differ, the earlier of the two dates shall be deemed authoritative.

19. Jurisdiction and applicable law

Düsseldorf shall be the exclusive place of jurisdiction for any and all business transactions within Germany. However, the Purchaser shall also be entitled to initiate legal proceedings in the Contractor’s domicile or at the place of performance of the delivery obligation. The contract shall be governed by the law of the Federal Republic of Germany to the exclusion of the United Nations Convention on Contracts for the International Sale of Goods.

2. Swiss law shall apply to all other business transactions to the exclusion of the United Nations Convention on the International Chamber of Commerce (ICC), without recourse to the ordinary courts of law. The place of arbitration proceedings shall be Düsseldorf. The number of arbitrators shall be three. The language of arbitration shall be German.