

# General Purchasing Conditions

## 1. – Scope of validity

1.1 All purchases by DENSO GmbH, Felderstraße 24, D-51371 Leverkusen (hereafter: "DENSO") are exclusively subject to the following General Purchasing Conditions (hereafter: "Purchasing Conditions"). Vendor's own general terms and conditions in terms of §§ 305 ff BGB (German Civil Code), especially sales conditions, are hereby expressly contradicted unless they have been expressly confirmed by DENSO in writing.

1.2 The following purchasing conditions are a part of all contracts, which DENSO places as purchaser with the vendor for the supply of deliveries and services by the vendor. They are acknowledged through the placing of the purchase order and the implementation of the order.

## 2. – Orders, confirmation of purchase order

2.1 Orders are only valid in writing. Verbal understandings or orders are only legally binding after they have been confirmed in writing.

2.2 Each purchase order is to be confirmed immediately by the vendor to DENSO with details of price, prices conditions and delivery date. DENSO is not bound to accept changes of price, delivery date etc. unless DENSO has expressly confirmed these.

## 3. – Prices

3.1 The agreed prices are fixed and are to be interpreted – plus the currently valid rate of VAT – free at place of use including packaging and transport costs. Under fixed prices is to be understood that any alterations of factors influencing the price, which occur after the conclusion of the contract, will not be taken into account. All costs arising before the handover to the transport provider including loading and carriage are borne by the vendor. The agreement of the place of fulfilment will not be affected by details of price fixing.

3.2 DENSO reserves the right to acknowledge greater or smaller delivery quantities.

## 4. – Delivery deadlines

4.1 The agreed delivery deadlines are to be strictly observed.

4.2 Otherwise, DENSO is entitled, after the expiry of a reasonable period of notice, to terminate the contract. Further claims, particularly compensation claims, remain unaffected.

## 5. Delivery and dispatch

5.1 In the interests of the vendor, it is necessary to observe the following dispatch provisions exactly. Otherwise, any resulting extra expenses will have to be charged to the vendor.

5.2 The dispatch of the goods is to be notified without delay in the usual form with a dispatch notification. The delivery is to be free works including packaging. If the price has been agreed without packaging, then this is to be charged at cost price.

5.3 If the goods are sent back, at least 2/3 of the goods are to be credited. Any damage caused by unsuitable packaging is to be borne by the vendor. Transport risks are to be borne by the vendor.

5.4 If a price condition "ex works" or "ex stores" has been agreed, then shipment is to be at the lowest possible relevant cost, unless a specific type of shipping has been expressly agreed with DENSO. With deliveries "ex works" or "ex stores", the consignment is to be made ready for transport and DENSO is to be sent an invoice for the carriage immediately with a duplicate of the bill of lading.

5.5 Extra costs for an accelerated method of delivery in order to meet a delivery deadline are to be borne by the vendor.

5.6 The delivery counts as fulfilled when the consignment has arrived in the DENSO stores or the stated place of use and has been found to be without defect.

## 6. – Invoice

6.1 Invoices are to be produced as two copies. They shall observe the regular form according to the VAT law. Invoices without the complete order details or other details are not valid until the vendor has clarified this with DENSO.

6.2 Invoices must arrive with DENSO at the latest on the third working day of the month following the delivery or performance of the service.

## **7. – Payment**

7.1 Payment will be less 3% rebate on the 20th of the same month in case of arrival of the invoice from the 1st to the 10th, on the 30th of the same month in case of arrival of the invoice from the 11th to the 20th, and on the 10th of the following month in case of arrival of the invoice from the 21st to the 30th, unless a different agreement has been made in writing.

7.2 The due and correct arrival of the goods is a precondition for the observation of the payment deadline. The quantities determined on arrival at the works are used for payment.

7.3 We reserve the right to pay in the form of bills of exchange, or to deduct counterclaims of any type.

7.4 Assignment of claims is only permissible with written agreement.

## **8. – Guarantee**

8.1 The delivery must fulfil the intended use and conform to relevant regulations of authorities and trade organisations (inc. UVV) as well as the current state of the technology.

8.2 The guarantee period is 2 years after delivery from the vendor to DENSO. The statutory regulations according to §§ 478, 479 BGB (German Civil Code) remain unaffected.

8.3 The vendor waives pleas of delayed notification of defects according to § 377 HGB (Trade Law Code).

8.4 Defects in the delivery notified during the guarantee period, which also includes the infringement of guarantee by the vendor according to § 444 BGB (German Civil Code), are on request to be rectified without delay and without charge – including associated costs - by the vendor. If this is not possible, or if the acceptance of repaired parts is not acceptable to DENSO, then the vendor shall replace the defective parts with defect-free ones.

8.5 In urgent cases, or when the vendor does not fulfil his guarantee obligations despite a deadline having been set (which can already be done together with the notification of the defect), then DENSO can take the required measures to recreate the condition according to the contract at the expense of the vendor and without affecting his guarantee obligations.

8.6 If rectification is unsuccessful, or if it is not possible or reasonable, then the right of DENSO to terminate the contract or to reduce the price remains unaffected.

8.7 If faulted parts are kept by DENSO, then DENSO is liable for the breach of its own usual care. If the vendor refuses to accept a return despite a reminder, the DENSO is entitled to store the goods with a third party at the expense of the vendor.

8.8 The vendor indemnifies DENSO internally from all claims by third parties, who make such claims as a result of having suffered damage in the regular and foreseeable use of the products of the vendor, or after handling or processing products of the vendor sold to them, where this damage significantly results from errors in the design or production by the vendor or from the neglect of his duty of checking.

## **9. – Assignment of the contract**

The assignment of purchase orders from DENSO by the vendor to third party sub-contractors is not permitted without the written permission of DENSO.

## **10. – Samples, drawings, inventions, models, tolerances**

10.1 All samples, drawings, models etc. made available by DENSO to the vendor remain the property of DENSO and shall only be used for the purposes intended in the contract. Copies and other reproductions are only permitted with the prior written permission of DENSO. DENSO reserves all rights to drawings produced according to their instructions. The vendor acknowledges all trade rights and patents of DENSO.

10.2 No samples, drawings, models etc., which are made available, may be used for the vendor's own purposes or made available to third parties without the written permission of DENSO. These are to be sent back to DENSO without charge immediately after the delivery from the vendor. Infringements make the vendor liable to pay damages.

10.3 The vendor undertakes to observe tolerances given on drawings. Alterations to the given tolerances are only permissible with the prior written permission of DENSO in each individual case.

10.4 The approval of drawings by DENSO does not affect the sole responsibility of the vendor for the delivery.

10.5 Should inventions be invented by the vendor alone or together with DENSO in connection with the contract with the vendor, then the vendor undertakes, regarding his share of the invention according to the law regulating inventions by employees, to assert this right within the required period from the employee involved in the invention, and to transfer the rights of such employee to the vendor. The vendor further undertakes to transfer the rights gained by this assertion or by other means (for example, for an invention by a director) to DENSO to their full extent. This transfer is included in the agreed price of the order. DENSO subsequently has the right to apply for, effect, maintain and/or allow lapsing, trading rights to the invention nationally and internationally in their own name. The vendor has no right of use of the invention or trade rights resulting from it.

## **11. – Final provisions**

11.1 Place of fulfilment for deliveries and services is the location of DENSO, except where another place of fulfilment has been agreed. Place of fulfilment for the rectification of defects is the location where the defective item is at the time of the notification of the defect, even if this is not the agreed delivery location.

11.2 Court jurisdiction is Leverkusen. DENSO can, however, take action against the vendor at his general court of jurisdiction.

11.3 If one or more provisions of these purchasing conditions are partially or wholly invalid, then the validity of the remaining part or the remaining provisions is not affected.

11.4 In addition to the contract provisions, the law of the Federal Republic of Germany applies exclusively. The treaty of the United Nations regarding contracts in international trade from 11th April 1980 (CISG) does not apply.

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