

# Purchasing Specifications and Forwarding Instruction

## Jos. Schneider Optische Werke GmbH



### 1. Purchase orders

1.1 The order is only effective if made in writing. Oral agreements that are deviating from the contents of the order are only valid if confirmed by us in writing. We are not bound by deliveries having been executed without written purchase order, nor can such deliveries create any claim against us. Our purchase order is may only be used for purpose of advertising with our written consent.

### 2. Conditions

2.1 Our purchase order must be signed and sent back within four days. By this Order-Confirmation, our purchasing specifications are approved by the seller, in the following referred to as "supplier", even if different specifications are mentioned in his Order-Confirmation. Differing agreements are valid only if they are in writing.

2.2 We are entitled to cancel our order free of charge if you do not confirm our order without modifications and within two weeks after receipt.

### 3. Delivery

3.1 After payment, the goods ordered by us become our unrestricted property; if they temporarily remain in the supplier's possession, this shall constitute an administrative and keeping relationship free of charge between the supplier and us.

3.2 Any agreed dates of delivery are fix and must be kept under all circumstances; otherwise we have the right to demand, following our choice and without setting a deadline, either re-delivery and damages for delayed performance, or damages for non-performance, or to terminate the contract.

3.3 When the supplier is delivering goods or providing services on our premises the suppliers shall obey the directions for non-employees concerning security, environmental and fire protection currently in force.

3.4 Any shipments must include a detailed packaging list or delivery note (twofold) with exact indication of content and purchase order number. This purchase order number must be included on all freight documents, post package document etc. Adequate packaging is mandatory. Any losses or damages of the deliveries due to violations of this policy will be the supplier's risk.

### 4. Passing of risks

4.1 Unless otherwise agreed in the purchase order, the risks for the goods passes over to us once the goods are handed over to us or our authorized representative by the supplier or the forwarding agency. If, on our request, the goods are shipped by the supplier to place other than the agreed place of performance, the statutory law applies.

4.2 Upon payment any delivered goods shall become our property. Any retention of title of any kind shall be excluded.

4.3 Deliveries will be inspected only with regards to obvious defects. Hidden defects will be reported once they are detected in our orderly course of business. Supplier shall not invoke objections of delayed notification as long as defects are reported within 14 days after detection

4.4 Incoming goods will be inspected on a random sampling basis. In the event the quality standard thresholds set by us are not met, we have the right to reject all the delivered goods or to inspect them completely at the supplier's expense.

4.5 If we return defective goods we shall be entitled to debit back to supplier the invoice amount paid plus a lump sum of 5% of the price of the defective goods for administrative expenses. We reserve the right to proof higher expenses. Supplier shall be entitled to proof lower or no expense.

4.6 The supplier grant us or third parties authorized by us the right to conduct an audit in order to determine whether our requirements have been met.

### 5. Protection of patent or trade mark rights

5.1 The supplier guarantees that the goods and deliveries do not infringe any domestic or foreign intellectual property rights and indemnifies us against any third-party claim.

5.2 Supplier shall take all necessary defence and out-of-court measures against any third-party claims made against us in connection with the goods and services delivered for infringement of intellectual property rights. In addition, supplier shall indemnify us against any costs and damages caused to us due to or in connection with third-party claims asserted against us.

### 6. Samples, drawings, designs, patterns, specimens moulds etc.

6.1 Samples, drawings, designs, patterns, specimens, moulds etc. which we have handed over to the supplier for the purpose of the order as well as samples, designs etc. that have been made by the supplier according to our special information remain our property and must not be applied to other ends, neither multiplied nor made accessible to third persons by the supplier. Without particular request, they must be sent back in usable conditions at the latest with the last consignment.

### 7. Subcontracting

7.1 Subcontracting of orders for service or the manufacturing of products according to our specifications is only admitted with our consent, otherwise we are entitled to immediately rescind the contract, and to claim damages.

### 8. Warranties

8.1 Without prejudice to our statutory rights, supplier shall immediately replace at his own cost all parts and components that become defective or damaged due to faults in material, fabrication or construction within two years after reception and initial operation, or within a particularly agreed warranty period alternatively supplier shall eliminate such defects and damages free of charge. In urgent cases, or if the supplier does not meet his responsibilities without delay, we are entitled to replace or repair such parts by ourselves at supplier's costs.

8.2 As for any replacements, and eliminated defects, the above mentioned warranty period, and warranty responsibility starts anew. The supplier waives the objection of delayed notification of defect in quality

8.3 If the supplier, after an appropriated period has been set does not meet his warranty duties for defects and minor quality of the deliveries within such period, we are also entitled to immediately withdraw from the contract without setting any further deadline or to reduce the remuneration and additionally in either case to demand compensation of damages.

8.4 The supplier has to deliver or perform in accordance with our plans, graphs or other specific demands and expressly guarantees the conformity with our demands. If delivery or performance deviates from the demands we shall immediately have the rights under section 8.3

8.5 Our statutory rights shall in any case be reserved.

8.6 Supplier shall indemnify us against all claims raised against us by third parties –for whatever legal reason– due to a defect of quality or title or any other defect of a product delivered by supplier and shall also reimburse our expenses necessary for the defence against such claims.

### 9. Prices

9.1 The prices shall be fixed prices and are valid for delivery DDP Incoterms 2010) at our fixed delivery point including packaging and shall include all expenses in connection with the goods and services provided by supplier.

9.2 We deny accepting of c.o.d. deliveries.

### 10. Invoicing and Payment

10.1 Invoices shall be sent by separate mail and must include duplicate. The duplicate must be marked as such. Our purchase order number must be stated on each invoice. Every purchase order must be invoiced separately unless we ask for accumulative invoice.

10.2 The payment of an invoice will be made within 14 days with 3% cash discount or within 60 days net after delivery and receipt of invoice.

10.3 Payments shall not be deemed as approval that the goods or services delivered are in accordance with the contract. In the event that goods or services are defective or incomplete or of minor quality, we shall be entitled, without prejudice to our other right to withhold a reasonable amount of payments with regards to debts based in the business relationship until you have performed in accordance with your contractual obligations.

10.4 The assignment of claims against us arising out of or in the context of this contract to third parties requires our written consent.

### 11. Safety, environmental protection

11.1 Goods and services must comply with the all statutory provisions, especially the provisions relating to safety and environmental protection, including the regulations on hazardous substances. The relevant certificates and documents must be supplied free of charge

11.2 Supplier shall identify and comply with any legislation or administrative directives relating to substance restrictions. Supplier must not use any prohibited substances. Supplier shall specify any hazardous substances and other substances which should be avoided according to any applicable laws and administrative directives. Supplier shall attach safety data sheets to any offer and to the delivery notes of initial delivery (at least in the German or English language). Information about a failure to comply with substance restrictions and the delivery of prohibited substances must be immediately disclosed.

11.3 With respect to deliveries and the performance of services the supplier shall be solely responsible for compliance with regulations for the prevention of accidents. Any necessary safety equipment and manufacturer's safety-instruction shall be supplied free of charge.

### 12. Import and export provisions, customs

12.1 If goods and services are supplied from a country (other than Germany) within the EU, the EU value added tax identification number shall be quoted.

12.2 Imported goods shall be delivered duty paid. The supplier shall be obliged to provide at his own expense the required declarations and information under Regulation (EC) No. 1207 / 2001, allow checks to be performed by customs officials and furnish the requisite official letters of confirmation

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12.3 The supplier shall be obliged to inform us in writing and detail about any (re-) export license obligation pursuant to German, EU and US export and customs regulations as well as export and customs regulations of the country of origin of the goods and services.

12.4 The supplier shall guarantee that no unauthorized person has access to the goods and services during the process of delivery, performance, production, storage, handling and processing, loading and transporting by instructing reliable employees with this work. In addition, the supplier shall be obliged together with his sub-suppliers to take adequate measures to secure a safe supply chain.

### 13. Disclosure and Use of Conflict Minerals

The supplier shall be obliged to disclose in writing whether his deliveries contain conflict minerals as defined under the US Dodd-Frank Act, irrespective of the quantities used. In case such conflict minerals are used, the supplier shall be obliged to perform at his cost any and all inspections necessary under the Dodd-Frank Act, the export provisions of the US SEC and to make any necessary declarations.

### 14. Provision of material and equipment

14.1 Material and equipment that we provide shall remain our property. The supplier shall store such material and equipment free of charge with due care and diligence. The supplier shall keep them separate from his property and mark them as our property. They may only be used to implement our order. Supplier shall compensate us if our equipment and material gets damaged.

14.2 If the material provided will be processed or transformed, this shall be done for us. We shall become the direct proprietor of the resulting new objects. If the material provided only constitutes a part of the new objects we shall be entitled to ownership of the new objects on an pro rata basis according to the value of the material provided and contained therein.

### 15. Technical documentation, tools, means of production

15.1 Any technical documents, tools, in-house standard sheets, means of production, etc., that we provide shall remain our property; any trademark, copyright or other property rights shall remain with us. They, together with all duplicates that the supplier may have made, must be returned to us as soon as the order has been executed without further request. The supplier shall not be entitled to assert a right of retention in this respect. The said objects may only be used to execute the order. Supplier must not pass on or make them otherwise accessible to unauthorized third parties. The said objects may only be duplicated in so far as it is necessary for the execution of the order.

15.2 The supplier is obliged to service and maintain the aforementioned objects under No. 14.1, sentence 1 as well as to mend defects caused by normal wear and tear at his expense. If, in order to execute an order, supplier subcontracts the production of samples and tools to a third party, supplier shall cede to us his titles and claims in those tools and samples against the subcontractor.

### 16. Confidentiality

16.1 The supplier shall be obliged to handle confidential and not pass on to third parties any commercial and technical data that becomes known to him through our business relationship unless such data is public domain.

16.2 Our prior written consent shall be required if products manufactured specifically for us, especially those made according to our drawings and manufacturing specifications, are manufactured for or exhibited to third parties and for publications relating to orders for such products and services and for references to such orders vis-à-vis third parties.

### 17. Miscellaneous

17.1 The place of performance shall be the given delivery address.

17.2 The place of jurisdiction for both parties is Bad Kreuznach.

17.3 Governing law shall be the law of Germany without reference to its conflict of law provisions. The United Nations Convention on Contracts for the International Sale of Goods (CISG) shall not apply.

17.4 The supplier guarantees the safety of the supply chain according to the standards of the world custom organisation WCO (Framework of standard to secure and facilitate global trade (SAFE)).

17.5 Should any of these clauses of the general Terms and Conditions be wholly or partially invalid, the validity of the remaining clauses or parts thereof shall not be affected.

17.6 The parties shall be obliged, to replace invalid clauses by clauses which will be as close as possible to the commercial goal of the invalid clauses.

### 18. Opening hours

Monday until Thursday	07.30 a.m. – 3.00 p.m.
Friday	07.30 a.m. – 12.00 p.m.

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[www.schneiderkreuznach.com](http://www.schneiderkreuznach.com)

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