



Additional Conditions for Supplies to ZF Friedrichshafen AG

1. Conclusion of a Contract

Contracts of sale, orders, acceptances, delivery schedule call-offs, delivery advice notices, credit notes and invoices as well as amendments and supplements to these are binding only if they are issued or confirmed by the orderer in writing, by fax or in electronic form. Delivery schedule call-offs can also take place by way of data interchange. The supplier number and/or order number and the tax number shall be quoted on all paperwork.

Contract-related correspondence shall be exchanged with the “purchasing” division. Agreements with other divisions or departments require the express written approval of the “purchasing” division in the form of a supplement to the contract, if this involves coming to agreements that alter the points defined in the contract.

If the supplier does not accept the order within two weeks of its receipt, the orderer is entitled to revocation. Delivery schedule call-offs shall become binding at the latest within two working days of their receipt, provided that the supplier does not object.

2. Prices

The applicable prices are laid down in the agreements reached between the orderer and the supplier.

3. Order, Delivery

Delivery schedule call-offs apply only in conjunction with the Scheduling Agreement. The delivery dates specified on the delivery schedule call-offs are at the same time the delivery dates / receipt dates at the receiving plant. We expressly reserve the right of cancellation or rescheduling within the scope of order changes on the part of the customer. Neither excess nor advance deliveries are allowed. We issue production clearance for four weeks, clearance for materials scheduling and capacity planning for a further four weeks.

Delivery schedule call-offs are extended automatically by one month at a time, provided that they do not lose their validity upon the submission of a new delivery schedule call-off. Divisions that extend beyond the above mentioned time periods shall be regarded as a non-binding preview only.

Part deliveries are cardinally not permitted. They are permissible only if the orderer has expressly approved them in writing or if they are reasonably expectable of the orderer.

The supplier bears the property risk up to acceptance of the merchandise by the orderer or an agent of the orderer at the place at which the merchandise has to be delivered in accordance with the order.

The relevant current version of the “Logistical Requirements for Suppliers” apply for all deliveries by the supplier.

4. Delivery Dates and Delivery Times

As soon as the supplier detects any difficulties with regard to the production, supply of ingoing materials, compliance with dates or similar circumstances that could hinder it from providing on-schedule delivery or delivery in compliance with the agreed quality, the supplier shall communicate this immediately to the relevant scheduler of the purchasing plant and to the “purchasing” division of the orderer. The obligation to comply with the agreed deadlines shall remain unaffected.

5. Delivery Delay

If the supplier is in delay, after the unsuccessful expiry of a reasonable period of grace set by the orderer the latter can have a consideration that has not yet been provided by the supplier performed by a third party at the cost of the supplier or can withdraw from the contract. The costs incurred by the orderer caused by the delay shall be to the full debit of the supplier.

6. Environmental Protection Stipulations

The supplier is obligated in accordance with the hazardous substances regulation for hazardous substances and hazardous work materials, to append without solicitation the new EEC Safety Data Sheet in accordance with EEC-91/155 to



the initial sample documents and to update this in compliance with the regulation. The ZF standard ZFN 9003 "Exclusion of Hazardous Substances" shall be complied with.

The supplier obligates itself to draw up at the request of the customer a recycling concept for its materials, preparations or products in accordance with DIN ISO 22628.

7. Quality and Documentation

For the initial sample testing, attention is drawn to the VDA document "Assurance of the Quality of Supplies – Supplier Selection / Production Process – and Product Clearance / Quality Performance in Series Production", Frankfurt on Main 1998. Independently of this the supplier shall constantly check the quality of the delivery items. The parties to the contract shall mutually inform each other about the possibilities of quality improvement.

If the type and scope of the tests, testing means and testing methods are not firmly agreed between the supplier and the orderer, the orderer is prepared at the request of the supplier to discuss the tests with the supplier within the scope of knowledge, experience and facilities of the orderer in order to determine the required state of the art of the testing technology in each case. Furthermore, the orderer shall inform the supplier, if desired, about the pertinent safety regulations. Differing from 9.3 of the General Terms and Conditions of Purchase the test documents shall be stored for the active production term or spare parts term plus one calendar year, but for at least 15 years and they shall be submitted to the orderer as required.

8. Warranty Claims and Recourse

Differing from point 10.1.1 of the General Terms and Conditions of Purchase, in the event of any defective supplies prior to the commencement of production the orderer is entitled to demand compensation or the reimbursement of any expenses made in vain.

Differing from point 10.1.2 of the General Terms and Conditions of Purchase the orderer can also claim compensation for provable additional expenses and machinery damage or tool damage caused by defects, e.g. in the case of machined parts, in which case point 15.1 of the General Terms and Conditions of Purchase shall be taken into consideration to a suitable degree in the assessment of the additional cost.

If the orderer takes back any products produced and/or sold by it as a consequence of the defectiveness of the contractual item supplied by the supplier or if the purchase price to the orderer has been reduced or if a demand has therefore been made of the customer in another way, the orderer reserves the right of recourse against suppliers, an otherwise requisite fixing of a time limit not being required for the warranty rights of the orderer.

Quality defect claims of the orderer are subject to the statute of limitation – differing from point 10.3 of the General Terms and Conditions of Purchase – after 36 months, without any kilometrage restriction from first registration of the vehicle or from installation of the spare part – provided that nothing otherwise has been agreed. For parts of the delivery improved within the limitation term of the warranty claims of the orderer the limitation term shall recommence at the time at which the supplier has fully met the orderer's claims for subsequent performance.

The orderer is entitled to claims under a right of recourse of the orderer in accordance with Sections 478, 479 of the German Civil Code (BGB) against the supplier in particular, if the orderer finds itself exposed to such demands from a third party. This also applies in the event that the orderer or a third party has installed or further processed the merchandise or the delivery item. Furthermore, the orderer is also entitled to these claims, if the third party or the end customer is not the consumer, but an entrepreneur and is using the merchandise or delivery items for its commercial operation.

In particular the orderer has rights of recourse or compensation against the supplier, if the latter supplies products to the orderer that the supplier has developed or negotiated directly with the relevant end customer.

If a quality defect shows itself within 18 months of the passing of the risk, it is assumed that the defect was present at the time of the passing of the risk, unless this type of assumption is not compatible with the type of item or defect.



In the event of deficiencies in title the supplier shall indemnify the orderer in addition against any existing claims of third parties. A limitation term of 10 years applies for deficiencies in title.

Provided that it is not regulated otherwise in the foregoing, the liability for defects is governed pursuant to the statutory stipulations, the basic principles for liability restriction contained in point 15.1 of the General Terms and Conditions of Purchase, however, having to be appropriately applied in favour of the supplier.

9. Use of Production Means, Information and Confidential Specifications of the Orderer

Any drawings or other documents, jigs, models, tools or miscellaneous production means that are ceded to the supplier shall remain the property of the orderer. The property in the tools and other production means that are paid for by the orderer is governed by agreements to be reached in a separate tool contract. In the event that no separate agreement is reached, the supplier is obligated to transfer the corresponding proportionate property in a production means in compliance with the proportionate division of costs to a person nominated by the orderer.

The orderer reserves all rights in the drawings drafted or products produced in accordance with its stipulations and all rights in the processes developed by it.

The destruction of production means (tools, templates etc.) or the sale of single-purpose machines is fundamentally permissible only following previous written authorization by the orderer.

The servicing, maintenance and renewal of parts of the aforementioned items is incumbent on the supplier.

All business or technical information (including features that can be gathered from the items, documents or software provided as well as miscellaneous knowledge and experience) made accessible by the orderer shall be kept secret from third parties as long as and provided that they are not provably public knowledge and at the supplier's company may be made available only to persons who have to be invoked by necessity for their use for the purpose of supply to the orderer and who are also obligated to secrecy; they shall remain the exclusive property of the orderer. Without the previous written consent of the orderer such information must not be duplicated or used otherwise – except for supplies to the orderer. At the request of the orderer the information originating from the orderer (if necessary, including prepared copies or records) and items provided on loan shall be returned or destroyed immediately and completely.

The orderer reserves all rights in such information (including copyright and the right to register industrial protective rights such as patents, registered utility models, semiconductor protection etc.). If these have been made accessible for the orderer by third parties, this legal reservation shall also apply in favour of those third parties.

10. Concluding Conditions

The place of jurisdiction is the registered office of the orderer.