

**1. Decisive conditions**

- 1.1. The legal relationships between suppliers and Neuson Hydrotec GmbH (hereinafter referred to as "Neuson") are determined by the following purchase conditions and apply for all orders from Neuson, unless otherwise agreed in writing in individual cases.
- 1.2. By accepting the order, any potential general delivery conditions in the order confirmation from the Supplier that contradict the execution of this order cease to be effective. This does not require a specific objection to these delivery conditions.
- 1.3. In the case of differing interpretations of the German text and the text in other languages, the German text is decisive.

**2. Order**

- 2.1. Delivery contracts (order and acceptance) and delivery call-offs as well as changes and supplements to these must be in written form. Delivery call-offs and orders can be made by remote data transmission. A single copy of a proper order confirmation is to be sent to Neuson for each order.
- 2.2. Orders from Neuson are to be confirmed immediately in writing by the Supplier, though at the latest within 5 days, otherwise Neuson is entitled to revoke the order. Deviations in the order confirmation from the order only become form part of the contract if Neuson has expressly agreed to this in writing.
- 2.3. Neuson can demand changes to the delivery object in construction and execution within the context of what is reasonable for the Supplier. At the same time, effects with respect to increased or decreased costs and the delivery dates are to be mutually agreed as appropriate. Oral changes or changes made by telephone require subsequent written confirmation from Neuson.
- 2.4. Prices: If a price quotation is not included in the order, the price to be stated in the order confirmation from the Supplier requires subsequent written confirmation from Neuson. Exchange rate fluctuations may not result in price increases for Neuson.
- 2.5. Price changes: Any price changes during the term of the order are inadmissible and can only be effectively agreed in the form of a written confirmation from Neuson.
- 2.6. Insofar as various price agreements exist between individual companies in the Neuson Group and with the Supplier, the respectively more favourable prices apply automatically for all companies in the Neuson Group. In future agreements, the respective agreed price also applies for any orders from all other companies in the Neuson Group.
- 2.7. Acceptance of the order or contract and thereby acknowledgement of our purchase conditions is performed by submitting the order confirmation or by beginning execution of the order for the delivery.

**3. Delivery plans (delivery call-offs)**

- 3.1. Delivery plans and any changes and supplements to these must be in written form. Delivery plans are equivalent to orders. An order confirmation is to be sent to Neuson for every delivery plan.
- 3.2. The Supplier and Neuson are to agree on a declaration of intent with projected requirements for one full year. This does not result in a purchase commitment for Neuson. The detailed calls-offs (fixed schedule and fixed quantity) are to be determined in the delivery call-offs.
- 3.3. The delivery plan dates must be strictly adhered to.
- 3.4. The Supplier guarantees that it can produce the number of items in the general agreement and deliver within the agreed time. It is to reserve the necessary productive capacities for Neuson.

- 3.5. The Supplier is to inform Neuson without request in writing within 2 weeks if he cannot comply with certain general agreements. A breach of this obligation is considered to be a liable delivery delay on the part of the Supplier.

#### **4. Payment**

- 4.1. Payment shall be effected according to the following payment date:  
Receipt of goods and invoice delivery by Neuson – Payment within **30** days less 3% discount or due within 90 days net. A grace period of 5 days applies for all payment deadlines.
- 4.2. In the case of acceptance of premature deliveries, maturity depends on the agreed delivery date.
- 4.3. The payment shall be made by bank transfer or cheque.
- 4.4. In the case of a defective delivery or any other counter-claims, Neuson is entitled to withhold payment until proper fulfilment.
- 4.5A According to contract, tendering of account by the Supplier:  
Payment shall be effected following receipt of the goods at the agreed price and conditions by means of account tendering by the Supplier. Among other things, this documents the order number, article number for Neuson and the delivery note number including the date from suppliers.
- 4.5B According to contract, Supplier credit:  
Payment shall be effected following receipt of the goods at the agreed price and conditions in the form of a Supplier credit issued by the Neuson. Among other things, this documents the delivery note number, the delivery note date and date of receipt of the good. The Supplier credit is to be handled like an invoice issued by the Supplier in accordance with § 11 sec. 1 and 8 UStG (German Value Added Tax Act). Therefore it is not permitted to issue invoices to Neuson.
- 4.6. It shall be deemed to be agreed that all payments are only effected under full consideration of all counter-claims from Neuson and its group companies.
- 4.7. The payment periods are suspended during the company's closure periods such as company holidays, Christmas holidays etc.

#### **5. Notification of defects**

- 5.1. Neuson is released with regard to the obligation to inspect and notify of such defects immediately. It shall notify the Supplier in writing of defects in the delivery regarding quality as soon as these have been identified. Accordingly, Neuson reserves the right of later notification of defects regarding the delivery. The Supplier shall waive the defence of belated notification of defects as defined in § 377 UGB (Austrian Commercial Code).

#### **6. Delivery dates and deadlines / Shipping clause**

- 6.1. Agreed dates and deadlines are fixed appointments. Decisive for compliance with the delivery date or the delivery deadline is receipt of the goods by Neuson.
- 6.2. In the case of a delivery delay, a penalty of 0.5% per of delay (workday) is due on the position value delivered late. This regulation does not replace damages caused by delay in the paragraph on "delivery delay".
- 6.3. For all pertinent trade clauses, the Incoterms in the respective valid version apply.
- 6.4. Packaging: Reference to any special agreements is made in the details. Packaging instructions that are not properly fulfilled are subject to a penalty in the amount of the actual cost per case, though at least €145.00.

**7. Delivery delay**

- 7.1. The Supplier is obligated by Neuson to use all damages for delay; this applies in particular to increased costs with respect to expedited shipment made necessary by missed deadlines due to delay.
- 7.2. In the case of non-compliance with the agreed delivery times, Neuson is entitled to withdraw from the contract without an appropriate extension period.

**8. Force majeure**

- 8.1. Work walkouts (strikes and lockouts), operational interruptions and restrictions and similar cases that result in a reduction in consumption are deemed to be the result of force majeure and release us from timely acceptance for the duration of the interruption. In the case the partial loss of productive capacities or delivery options due to force majeure, the Supplier is at least obligated to continue to supply Neuson in proportion to the remaining production capacity or delivery options. The Supplier is also obligated to make every effort technically possible and economically reasonable to guarantee continued supply to Neuson even in the case of force majeure.
- 8.2. If a delay is attributable to force majeure, the Contractor is obligated to report this to Neuson for the duration its effect. Force majeure does not include wildcat strikes, shortage of personnel, even if this is due to illness or situations where the materials, work pieces or finished goods have been rejected as scrap. Delivery delays of any kind caused by subcontractors or suppliers to the Contractor will not be seen as force majeure.

**9. Quality and documentation**

- 9.1. The Supplier must carry out its quality assurance measures so that its products are provided to the specifications defined by Neuson and each product is provided in the agreed quantity, at the agreed time, at the agreed location and in the agreed manner. This requires a zero-error target in conjunction with continuous improvement of the service.
- 9.2. In order to guarantee the quality of its products, the Supplier undertakes to demonstrate or immediately introduce, use and maintain an effective quality management system, to use only suitable procedures and to further develop its QM system in accordance with DIN E ISO 9001:2008.
- 9.3. The Supplier shall guarantee a high level of independence and active co-operation during all project phases with the aim of fulfilling all requirements of the product including all legal requirements and achieving the high quality targets.
- 9.4. The Supplier is obligated to plan, organise the production process and quality assurance under its own responsibility, so that comprehensive quality supervision and quality control is guaranteed and all quality requirements and safety requirements of the product are met. This concerns all products, regardless of whether the Supplier produces this itself, processes or refines it or has it processed or refined by a third party.  
The Supplier must log dimensions with fit specifications and dimensions with restricted tolerance and drawing dimensions marked as test dimensions. Logs are a component of the delivery and are to be presented by the Contractor without request at the latest along with the delivery, unless otherwise agreed.
- 9.5. The Supplier agrees to an audit following appropriate advance notice by Neuson and customers of Neuson and shall obligate its subcontractors accordingly. Within the context of an audit, the Supplier and/or its subcontractors must grant insight into the manufacture process, all quality assurance measures and organisation units as well as the relevant documentation.

- 9.6. Neuson reserves the right to carry out a technical audit of the Supplier and its subcontractors if massive defects occur or if the quality and quantity can no longer be ensured. This means that delegated persons will visit at short notice. During the course of the technical audit, complete access to the manufacturing process, the quality assurance measures and the relevant documentation must be granted.
- 9.7. The products delivered by the Supplier must comply with the agreed description i.e. in particular
- the Neuson drawing
  - the Neuson test specifications (in special cases)
  - the specifications of the Neuson customers
  - all other norms and standards
  - the features marked as special by Neuson
  - the agreed samples
- Furthermore, the goods, delivery and service (components or parts) are to be produced in accordance with the current state of the technology.
- The Supplier shall immediately examine whether the specification from Neuson is defective, unclear or incomplete or deviates from the sample. If the Supplier recognises that this is the case, it is to notify Neuson immediately in writing.
- 9.8. Depending on the delivery object, Neuson has the right to reject defective parts during fabrication. The material costs and the costs for the inspections are at the expense of the Supplier. If, during the inspection of the goods, it is determined that an expanded or 100% test is required, we reserve the right to invoice for the costs incurred. If the parts need to be reworked by Neuson for fabrication or process-related reasons, the costs for this shall be invoiced. We are entitled to deduct the respective incurred costs from the invoice concerned immediately. However, Neuson is also entitled to reject and return the delivery to the Supplier for sorting and reworking if during sample inspections it is determined that the delivery lot must be blocked. The Supplier will be charged for costs for the return of goods. The inspections carried out do not release the Supplier in any way from full responsibility and guarantee. They include the subcontractor list, test protocols and any possible sample goods in evidence.
- 9.9. Initial sample: Initial samples are products that are completely produced using standard operating resources under standard conditions. The Supplier is to execute the initial sample and possible subsequent sampling in accordance with VDA Volume 2.
- The Supplier is to submit proposals or changes to drawings, specifications and deviation releases to Neuson in writing before sampling. All deviations are to be indicated in the respective initial sample test report and specifically marked. Initial samples with deviations for which no deviation proposal exists will not be further processed by Neuson.
- Each initial sample delivery is to be packed separately from the series goods and unambiguously labelled as an "initial sample" on the container.
- 9.10. The Supplier is to notify Neuson of changes to the fabrication procedure, materials or subcontracted parts for the products, subcontractor changes, relocation of fabrication sites, or any other changes to the procedures or facilities for testing the products or any other quality assurance measures in a timely manner before the planned realization in order to clarify further action and requires a release from Neuson. The Supplier has to treat any changes in accordance with VDA Volume 2.
- All costs incurred due to non-compliance are at the expense of the Supplier.
- 9.11. Products with specification deviations may only be delivered following prior written authorisation from Neuson quality assurance. The deliveries may only be executed for an agreed quantity or an agreed period. Each shipment is to be labelled with a specifically agreed marking.

- 9.12. Neuson is entitled at all times to demand confirmation in the form of test certification as proof of compliance for important features.  
If Neuson demands test certification for individual parts, assemblies, materials and/or features, these must correspond to the requirements of DIN EN 10204 in the respective valid version.  
As a rule, the test certifications are to be archived at the Supplier and made available to Neuson on request. The archiving period is 15 years. Depending on customer demand, the archiving period can be increased accordingly. If demanded, the Supplier is to enclose the test certificates for the deliveries. It must always be possible to allocate the delivery lot/batch.
- 9.13. The Supplier is obligated only to use materials which fulfil all requirements under the applicable laws and safety regulations, especially for hazardous materials, preparations, products, as well as all nationally and internationally applicable technical standards.
- 9.14. On all order related documents from the Supplier, especially the order confirmation and delivery note, the respective article number, order number and order position from Neuson are to be stated. All order related documents from the Supplier (especially the order confirmation and delivery note) must be composed exclusively in German or in English. In the case of a breach of these determinations, the delivery is not deemed to be proper or on schedule. In this case, the determinations in accordance with 6 Point 6.2 – Penalties apply by analogy.

## **10. Guarantee**

- 10.1. For the delivered parts, the Supplier shall guarantee flawless material, flawless processing and the existence of expressly ensured and prefaced properties.
- 10.2. Defective parts are to be replaced by the Supplier free of charge, or the value of the defective parts is to be deducted. Furthermore, the Supplier is liable to Neuson to deduct direct costs incurred due to incorrect delivery, especially in the case of defects that arise during preparation or processing for example, as well as those incurred due to the urgency of required reworking by Neuson.
- 10.3. In the case of a replacement delivery or defect removal, the guarantee begins again. By accepting or approving the drawings submitted, we do not waive legitimate claims on our part, for example regarding damages, warranty or guarantee.
- 10.4. The freight costs for the rejected parts and for replacement goods shall be borne by the Supplier.
- 10.5. If the same goods are repeatedly delivered as defective, Neuson is also entitled to withdraw from the unfulfilled scope of the delivery after written acceptance in the case of renewed defective deliveries.  
If the error is only first identified after fabrication has begun, despite observing the obligation according to 5 (notification of defect), Neuson can continue to claim under the guarantee.
- 10.6. The Supplier is to make the parts it is to replace available on demand and at its own expense. Insofar as this is not demanded of the Supplier in writing within 4 weeks following notification from Neuson (notification of defect), Neuson is entitled to scrap the defective parts.
- 10.7. The guarantee period comes to 36 months or 10,000 hours of operation from delivery by the Supplier to Neuson.
- 10.8. If not otherwise regulated, the legal guarantee regulations apply on a subsidiary basis.

**11. Compensation and product liability**

- 11.1. Regardless of the degree of fault, the Supplier is obligated to pay compensation for damages incurred by Neuson either directly or indirectly as a result of a defective delivery, a violation of official safety regulations or on any other grounds for which the Supplier is responsible. The Supplier is liable in particular for all consequential damages caused by defects and damages of a purely financial nature.
- 11.2. The obligation to pay compensation shall be deemed to exist, if the Supplier is responsible for damages it has caused intentionally or negligently.
- 11.3. If Neuson becomes the subject of a claim based on liability without fault under domestic law (e.g. Product Liability Act [PHG]) or foreign law, the Supplier shall be required to indemnify Neuson against any claims asserted and to hold the latter fully harmless against damages and claims.
- 11.4. The Supplier is liable in full for costs incurred by Neuson to minimise damages and defend against damages (for example recall actions) in accordance with Articles 1 to 3 of this Point 11. A recall action within the meaning of the aforementioned paragraph exists in particular if this is required on the basis of a demand issued by an authorised authority to Neuson or to another company involved in selling the products or if this is necessary to prevent any potential damages to persons or property.

**12. Patent rights**

- 12.1. The Supplier is liable for claims resulting from a breach of patent rights and patent right registration during contractual use of the delivery objects.
- 12.2. The Supplier shall indemnify Neuson and its buyer against all damages and claims resulting from the assertion of patent rights and shall pay all damages resulting from this in full.
- 12.3. This does not apply insofar as Supplier has produced the delivery objects for Neuson according to drawings, models or other equivalent descriptions or specifications from the buyer and was unaware or need not have been aware in relation to the products it has developed that patent rights were violated by these.
- 12.4. Insofar as the Supplier is not liable under Clause 3, Neuson shall release the Supplier from all third party claims.
- 12.5. The contractual partners undertake to inform one another immediately of risks of infringement or of alleged cases of infringement they becomes aware of and to give themselves the opportunity to take joint action in response to any ensuing claims.
- 12.6. On request from Neuson, the Supplier shall disclose the use of published and unpublished, own and licensed patent rights and patent right registrations for the delivery object.
- 12.7. Exclusivity: If the parts ordered by Neuson are parts that have been developed by Neuson, the Supplier is obligated to deliver these exclusively to Neuson. The Supplier also undertakes not to mention or show these parts in its catalogue.

**13. Use of production resources and confidential statements from Neuson**

- 13.1. Models, matrices, stencils, samples, tools and other production resources, as well as confidential information made available to the Supplier by the buyer or paid for by the buyer may only be used for deliveries to third parties with prior written consent from Neuson. The Supplier is obligated to take out sufficient insurance against all forms of damage for the production resources and to provide evidence of the conclusion and validity of this insurance policy to Neuson.

**Furthermore, production resources must be permanently marked as "Property of the Neuson Company".**

**14. General provisions**

- 14.1. If a contractual partner stops its payments and we file an application for bankruptcy proceedings with regard to his assets or for judicial or extra-judicial composition proceedings, the other party is entitled to withdraw from the unfulfilled part of the contract.
- 14.2. If a provision under these conditions and the agreed further agreements should be or become invalid, the validity of the remainder of the contract is unaffected by this. The contractual partners are obligated to replace the invalid provision with a regulation that most closely approximates the economic effect of the invalid provision.
- 14.3. Retention of title by the Supplier is not recognised by Neuson.
- 14.4. Austrian law applies, to the exclusion of the conflict of law rules under private international law and the provisions of the United Nations Convention on Contracts for the International Sale of Goods (CISG). The place of jurisdiction is Linz; however, Neuson is also entitled to take legal action in the other legally permitted jurisdiction.
- 14.5. The place of fulfilment for deliveries and the agreed jurisdiction is the registered office for Neuson or alternatively the delivery address indicated by Neuson.
- 14.6. The Supplier expressly declares its consent to the transmission of data on its business connections with Neuson within the Neuson Group.
- 14.7. Code of Conduct/Corporate Responsibility, see:  
<http://neuson-hydrotec.com/hydrotec/impressum/>
- 14.8. These purchase conditions FB L 4, 09 (Revision 01 of the 21/11/ 2014) replace completely all prior purchase conditions for Neuson only if the current revision status has been signed by both contract parties. Until this time, the last edition applies. All prior conditions without replacement are then cancelled or are negated by this version.
- 14.9. All agreements between Neuson and the Supplier are to be agreed in writing (in writing can also mean electronically, for example by e-mail)

Signature (company signature)

Signature (company signature)

.....  
(Date, Supplier).....  
(Date, Neuson Hydrotec GmbH)