
Terms for Tool Suppliers (Annex to the Purchase Order)

Additional Commercial Contract Terms

In general, the SVQ Terms and Conditions of Purchase and Manufacture shall apply, unless agreements to the contrary are stated hereunder.

Warranty:

The supplier warrants that the supplies and services have the contractually agreed characteristics and that they ensure safe and trouble-free operation in line with the intended purpose. Within this warranty, the supplier shall also be responsible for ensuring the quality and appropriateness of the delivered goods in terms of material, design and workmanship.

Warranty shall last 24 months without any shift limitations for tool adapters, facing heads and boring bars. The minimum tool life of the cutting tools is one work shift.

For the duration of the warranty period, a consignment stock shall be set up at the final customer's site, if required and agreed with the final customer. The content of this consignment stock shall be specified for each individual case.

The start of the warranty period is marked by the start of production at the final customer's site, however no later than 6 months after the last partial delivery.

If our complaints within the specified warranty period are not or only partially addressed, or if the required measures are not taken or not taken in good time, or if these measures don't produce the required result, we shall be entitled, at our option, to eliminate the defects ourselves or to have them eliminated by a third party, at the expense and risk of the supplier, or to claim a reduction of the purchase price and the cancellation of the contract.

In urgent cases we are entitled to repair a defective delivery item or to have it repaired or to provide replacement from a third party, at the expense of the supplier. We shall be entitled to continue to use the rejected delivery item until a suitable replacement is procured. The expenses for disassembly and reintegration as well as the transport costs shall be borne by the supplier.

The supplier undertakes to immediately eliminate any defects detected within the warranty period, at his own expense. If it is not possible, customary or reasonable to eliminate the defects, we shall be entitled to demand the immediate delivery of a delivery item free from defects, at no charge to us.

We are entitled to report any defects of the delivery resp. service within 30 days from the last day of the specified warranty period. The performance and technical data indicated in the purchase order are deemed to be contractually guaranteed properties.

If defects are eliminated, the warranty period for the repaired or replaced parts or for the new delivery item shall begin anew, starting with the termination of repair work or readiness for operation of the new delivery item at the place of use. If commissioning of the repaired part or new delivery item has been agreed, the warranty period shall start upon commissioning.

Tests, Acceptance Testing and Safety Regulations:

The quality of the items to be delivered shall correspond to the conditions indicated in the respective purchase order. If the purchase order does not include any such specifications, the quality of the precision tools shall comply with all relevant regulations, in particular with the DIN standards, the VDE directives, the VDI and DGVW [*German Gas and Water Industry Association*] directives or equivalent standards. The delivery item shall comply with the accident prevention and environmental protection regulations, including the Law on Technical Equipment, applicable at the place of performance resp. installation on the date of the purchase order.

We shall be entitled to inspect the quality of the supplies and services during production and/or prior to shipment of the goods or to have it inspected by our representative, within the usual business hours. Such an inspection may cover all technical data of the equipment and will be free of charge to us.

You shall guarantee that the below mentioned **SVQ provisions** are observed. These include both general and technical contractual conditions. In addition, the respective customer-specific provisions shall be observed.

Documentation:

The final documentation shall be submitted to SVQ one week after the last delivery, in German language and in the language of the final customer.

Prior to the start of manufacture, SVQ needs a complete set of drawings, plans/layouts and bills of materials for review purposes.

1. General remarks:

Each supplier is obliged to retain the technical documentation prepared by him for a period of 10 years according to the EC Machinery Directive 89/392/EEC and to make it available within a reasonable period of time if so requested (by SVQ or an inspection agency).

This shall not apply if the original copy of the documentation is submitted to SVQ.

As described below, documentation shall be prepared in accordance with Annex I of the EC Machinery Directive.

Documentation includes:

Drawings, plans and layouts, bills of materials, control and machining programs, operating manuals, technical descriptions, remarks and instructions in the form of leaflets and catalogues, test and inspection certificates, spare and wear parts lists, tool layouts.

2. Execution and Delivery:

Unless otherwise agreed, the regulations on machinery and equipment of the SVQ customers and the SVQ provisions shall be binding with regard to form and execution of the documentation.

The properties described in the specifications and in the technical information and datasheets to be submitted by the supplier are deemed to be guaranteed properties of the items to be delivered, as defined by § 463 BGB.

This means, among other things:

Preparation of: CAD drawings with AutoCAD

Supply of: **Drawings and plans/layouts on tracing paper**
reinforced and protected against impacts in drawing rolls.

Bills of materials and spare parts lists:
on data storage media using Excel 7.
If in doubt, please contact our standards or documentation department.

Newly prepared manuals and descriptions
on data storage media using Excel 7

Documentation on non-recycled white paper
at a scale of 1:1, white, rolled, 1 copy and additionally in a DIN A4 ring binder.
Arranged according to the table of contents and separated by index dividers.
Extensive documentation with overall table of contents,
as well as summaries of the individual chapters.

Language: Marking of drawings and plans/layouts: **German / English**
Bills of materials: **German / English**
Operating Manual: **German / English**
Other instructions: **German / English**
Test and inspection certificates: **German / English**

Drawings and plans/layouts: Tracing paper, 1 copy
Data storage medium, 1 copy

Bills of materials: Disk using Excel 7

Drawings:

Prior to the start of manufacture, SVQ needs 1 complete set of drawings for review purposes.
The supplier is directly responsible for the design of the tools and tool layouts.
The SVQ costing bills of materials submitted with the inquiries are only meant to serve as calculation support.

The drawings of the cutting tools shall be suitable for manufacture and shall include all geometric data for regrinding.

Before preparing the documentation, the supplier shall always contact the corresponding specialist department of our company.

As a basic rule, the documentation shall be shipped separately to the documentation department or to the specialist engineering department.

DIN A4 ring binder with spine label holder, spine label unlabeled.

3. Additional Remarks:

Name and address of the supplier's company
SVQ machine order no.
SVQ purchase order / system no.
Designation of the supplied product
Subassembly of the supplied product

CE certification:

For assembled precision tools, a Manufacturer's Declaration shall be supplied.

Delivery dates / contractual penalties:

Order no.: **Project no.:**..... **Delivery date week:**...../.....

A detailed time schedule shall be submitted 2 weeks after the order has been awarded by SVQ, at the latest. Afterwards, a weekly update shall be submitted.

The time schedule shall be prepared according to the attached model.

If the above mentioned delivery dates are not met due to the fault of the supplier or if delivery of the contractual products is not complete by the above mentioned dates, a contractual penalty of 10 % of the respective order value shall be due without further notice.

The SVQ project manager shall be informed about any changes affecting delivery dates and/or costs and a corresponding purchase order change shall be requested.

Other requirements / agreements:

- The agreed price is a fixed price for the full scope of supply.
- The fixed price includes not only delivery of the tool package and the corresponding documentation, but also technological support during commissioning.
- Provisional and final acceptance at SVQ and in the final customer's plant until it has been proven that the agreed properties are met. The supplier shall provide production support in the final customer's plant.
- Tools that cannot be used according to their function during commissioning shall be repaired or replaced free of charge (without delay).
- The supplier guarantees that the cutting parameters / tool lives (parameters decisive for the cycle time) and tool life travel paths are met according to the data in the tool / technological layout.
- The guaranteed minimum tool life is one work shift.
- The supplier is directly responsible for the design of the tools and tool layouts.
- The SVQ costing bills of materials submitted with the inquiries are only meant to serve as calculation support and do not purport to be complete.
Subsequent claims due to changed tooling scopes are not admissible unless the final customer has made workpiece or technological changes.
- The contractual partner is responsible for the quality, functional capability and the machining result of the overall scope of supply.

Starting with assembly of each machine in the SVQ plant and during commissioning / acceptance testing in the customer's plant, the supplier shall provide a service technician free of charge until the tools' functional capability test / quality record has been established.

In addition, tool support / supply shall be guaranteed by a service station close to the

place of use

Contact person at SVQ:

..... Phone:

Contact person at the supplier's company (project manager):

Mr. / Ms. Phone:

Mr. / Ms. Phone: