1. Conclusion of Agreement

The conditions of Purchase of Faulhaber shall apply to orders placed by us. Conditions of supply of the supplier shall only apply in lieu of our general terms and conditions of business if we expressly confirm this.

Our notifications of purchase also apply if we, in the knowledge that the conditions of the supplier either contradict or derogate from our Conditions of Purchase, accept the delivery from the supplier without reservation.

2. Price

The price specified in the order shall be a fixed price for the entire duration of the order.

3. Delivery and Delivery Time

3.1 The goods supplied shall comply in particular with the released samples, particularly with regard to designs, colors and the mode of delivery. The order shall be executed by the date specified. We are not obliged to accept part shipment or excess shipments to which we have not consented.

3.2 Delivery shall be made at the risk of the supplier, free domicile Schönaich, including packaging.

3.3 In the event of a delay in delivery, the supplier shall pay compensation for the losses incurred by us, which are however limited to 1% of the portion of the delivery which is in arrears for each full week of culpable delay, up to a maximum of 5% of this value. Moreover, we are entitled to claim a higher default loss taking into account the particular circumstances of the case, being set and awarded accordingly, if the losses, which are not on our property shall be carried out for us. A new product which is produced using material provided by us shall be held in safe-keeping for us by the supplier free of charge. If the material is provided to another company the supplier shall be provided with joint ownership in the resultant new product in the ratio of the value of the material provided by us and processed or transformed to the resultant new product in the other proportion. The supplier shall have to give us a quote on the processing or transformation. If the material provided is irreversibly mixed or combined with other items which do not belong to us, we shall acquire co-ownership of the new item in the ratio of the value of the material provided by us and the property of the supplier shall have joint ownership in the resultant new product in the ratio of the value of the material provided to the other mixed or combined items at the time of such mixing or combining. We accept such transfer of title. The supplier is not authorised to transfer to the other partner in legal transactions. We are entitled to receive in turn the proceeds of a court of law. The supplier claims as asserted.

4. Terms of Payment

4.1 Invoices and other receipts shall be submitted in duplicate, stating the delivery date, our order number and with reference number of the goods supplied. The duplicate must be clearly indicated as such.

4.2 Payment shall be made, at our discretion, either within 14 days less a 3% discount, or net within 30 days from receipt of invoice, however no earlier than date of receipt of the goods at our premises.

4.3 The supplier is not entitled, without our prior written consent which may not be unreasonably refused, to assign its claims against us or have them collected by third parties. In the event of a valid extended retention of title such consent shall be deemed to have been granted.

4.4 We are entitled to withhold payment in whole or in part pending remedy of defects in the goods or performance; as a rule the amount required to remedy the defects can be retained.

4.5 Payments do not constitute acknowledgement that goods and services rendered comply with the terms of the contract.

4.6 The supplier is not entitled to set off our claims or assert a right of retention unless the claims are undisputed or have been declared final and absolute by a court.

5. Defects in Goods

5.1 Goods delivered shall be inspected in our incoming goods inspection section according to the AQL system or another incoming goods inspection system. An initial sample / initial supply inspection report must accompany the goods for first-time shipments.

5.2 The supplier shall carry out an outgoing goods inspection. Upon receipt of the goods we will verify compliance with the amount ordered and whether there are any outwardly visible transport damage or obvious defects. If the goods delivered do not correspond to an inspection, we shall report this within 14 calendar days of receipt of goods. If such a defect arises later we shall also report this within 5 working days. We shall also forward copies to the supplier and to the claim’s department of the responsible insurance company for the inspection.

5.3 The supplier shall be liable as prescribed by statute for material and legal defects in the goods supplied, for the absence of guaranteed quality, for fraudulent intent and for infringement of accessory obligations to apply due care and to provide information. The limited and optional claims for defects shall be 36 months from the date of receipt of the goods at our premises.

5.4 The statute of limitations for replaced or repaired parts shall be suspended for the period between occurrence of the defect and remedy thereof unless the replacement or repair is made without any recognition of an obligation. The limitation period shall not expire until six months after remedy of the defects.

5.5 The supplier shall bear all costs for freight costs for return of defective goods.

5.6 For products which are sold on without having undergone substantial modification the supplier shall release us from warranty claims under the law on sales, including law on sales of consumer goods and from product liability claims and manufacturer’s liability claims.

5.7 If product liability claims or manufacturer’s liability claims are filed against us and we are notified of such claims at first request in as far as the damage was caused by the goods supplied by the supplier, unless fault of the supplier is required under statute and such fault is not present, if we are not finally held liable by a court or if we pay to compensate such three parties for losses incurred the supplier shall reimburse our damages and expenses, including the actual costs incurred by such legal measures, if and in as far as we are entitled to demand compensation by the supplier.

5.8 To the extent that we are obliged to recall products owing to a defect caused by the supplier, we shall inform the supplier of which the cause a product recall is in the interest of the supplier and in accordance with the supplier’s wishes, the supplier shall assume the costs thereof. If the costs must be apportioned owing to the fact that there is more than one responsible party §§ 5 and 6 German Product Liability Act shall apply accordingly.

5.9 We and our customers are entitled after prior announcement to inform ourselves during the working operating hours on complaints of the goods and the result of the supplier with respect to the manufacturing procedures at the supplier and the observance of the contractual obligations of the supplier. At least three working days’ notice is required. The confidentiality of the information shall not be affected in this context. The supplier shall ensure that we and our customers are able to implement the measures set out under § 5.9 upon request at subcontractors and at its own suppliers.

6. Production Means and Drawings

6.1 Means of production, such as samples, tools, gauge, drawings and the like shall be the property of the supplier or we shall have a right of retention for the production means of the supplier in contrast to the supplier as a compensation for the production costs.

6.2 Moulds, tooling and similar items which have been produced at our costs in whole or in part shall be insured and kept by the supplier securely under our name and at our expenses except in the manner that they may be used at any time. Should tooling, which has been produced partly at our expense, no longer assure the required quality this shall be repaired or re-manufactured by the supplier at the supplier’s expense. If we notice supply problems we are entitled to demand that the supplier provide compensation and the supplier being entitled to a right of retention irrespective of whether these parts are our property.

6.3 Once our order has been completed the means of production provided by us or manufactured for our account shall be returned or surrendered to us upon request. If we assume production costs the extent of our joint-ownership shall correspond to the proportion of our contribution to the costs.

6.4 Gauges shall only be provided for inspection purposes. The supplier is responsible for the content of the information.

6.5 Material with which we have provided the supplier for the purpose of executing the order shall remain our property and shall be clearly marked as such and stored separately and for the purpose of use and as such, the production means and the equipment or tools which are not our property shall be carried out for us. A new product which is produced using material provided by us shall be held in safe-keeping for us by the supplier free of charge. If the material is used to other materials the supplier shall be provided with joint ownership in the resultant new product in the ratio of the value of the material provided by us and processed or transformed to the resultant new product in the other proportion. The supplier shall have to give us a quote on the processing or transformation. If the material provided is irreversibly mixed or combined with other items which do not belong to us, we shall acquire co-ownership of the new item in the ratio of the value of the material provided by us and the property of the supplier shall have joint ownership in the resultant new product in the ratio of the value of the material provided to the other mixed or combined items at the time of such mixing or combining. We accept such transfer of title. The supplier is not authorised to transfer to the other partner in legal transactions. We are entitled to receive in turn the proceeds of a court of law. The supplier claims as asserted.

6.6 Claims and obligations of Faulhaber, tolerances and other technical details shall have no effect on the sole responsibility of the supplier for the agreed performance. This shall also apply to proposals and recommendations made by us. Amendments discussed between the supplier and ourselves with regard to the goods supplied must be confirmed in writing; any departure from this written form requirement must also be in writing. If this does not occur the supplier shall bear sole responsibility for the amendments. For amendments to the contract which we do not consent to the supplier shall not be entitled to demand any compensation.

7 Other obligations of supplier

7.1 The supplier is obliged to observe the Act on a General Minimum Wage (Gesetz über den allgemeinen Mindestlohn, MiLoG) and the Act on Mandatory Working Conditions for Employees Posted Abroad and for Employees Usually Employed in Germany (Gesetz über überwirtschaftliche Arbeitsverhältnisse und für regelmäßig in Deutschland beschäftigte Mitarbeiter, § 75c SGB III) and in particular to pay its employees the statutory minimum wage.

7.2 If claims are filed against us based on the provisions of §§ 13 MiLoG, 14 AEntG from employees of the supplier or a subcontractor instructed by it or a temporary work agency, then the supplier indemnify us from liability pursuant to § 13 MiLoG, § 14 AEntG and reimburse us for any costs we incur from such claims asserted by these employees unless the supplier is not responsible therefor. We may offset any payments which we have made pursuant to § 13 MiLoG, § 14 AEntG against all the supplier’s claims and set the claims of against each other.

7.3 If with our prior consent the supplier passes on the contractual performance or parts thereto to a subcontractor, the supplier undertakes to ensure that the subcontractor or temporary-work agency used complies with the obligations set out under § 7.

7.4 To the extent our claims we reserve the right to demand at any time that the supplier provide evidence, e.g. in the form of a bank surety.

7.5 We have the right to termination without notice and the right of rescission with regard to the entire or partial performance relationship at the supplier if the supplier or the temporary-work agency instructed by the supplier does not pay its employees the minimum wage pursuant to § 1 MiLoG or violates the provisions of the AEntG.

7.6 In addition, the supplier undertakes to respect the valid Code of Conduct (https://www.faulhaber.com/en/about-faulhaber/code-of-conduct) which forms an integral part of the business relationship and to impose these obligations to his subcontractors.

8. Partial Invalidity

If any provision of these Conditions of Purchase is or should become invalid, this shall not affect the validity of the remaining provisions.

9. Place of Performance, Place of Jurisdiction, Applicable Law

9.1 Place of performance of our obligations of both parties shall be Schönaich, Germany.


9.3 Exclusive place of jurisdiction for all disputes arising from the contractual relationship with business owners shall be the domicile of Faulhaber, unless a principal place of business in the event of the investigation initiated by ourselves it may — at our discretion — also be the place of jurisdiction of the supplier, if this is not prescribed by law. In the event of disputes during contractual negotiation this only applies in cases in which an agreement is concluded later or in negotiations on the basis of our conditions of purchase.