General Machine Acceptance Terms and Conditions for Performances to EDAG Engineering GmbH



I. Scope of application

- These General Terms and Conditions of Acceptance apply in supplement to the General Terms and Conditions of Purchasing Deliveries of Production Plant, Partial Works and Machines (hereinafter referred to as "delivery items") to EDAG Engineering GmbH or its affiliate subsidiaries (hereinafter referred to as "Principal").
- These Terms and Conditions take precedence in the case of contradiction between them and the Terms and Conditions of Purchasing named in section I.1.

II. General

- The delivery items are accepted on the basis of the acceptance criteria and procedure named in the individual order. In the event that the individual order contains no regulation or has regulatory gaps, these Terms and Conditions and the General Terms and Conditions of Purchasing of Principal shall apply in supplement.
- 2. If the delivery items are a component of an overall plant that Principal must deliver to his end-customer, then the acceptance criteria of the overall plant as agreed between Principal and the end-customer shall apply with precedence. Principal will indicate in the individual order that the acceptance criteria agreed with the end-customer apply and will make these available to Contractor. In this case, the performance of Contractor is first deemed as accepted upon acceptance of the overall plant by the end-customer of Principal without this necessitating an explicit declaration.
- All function tests, prior-acceptances, shipment releases or performance tests under production conditions do not constitute performance substantiation of the delivery item or final acceptance pursuant to § 640 I BGB (*German Civil Code*).

III. Performance substantiation / Final acceptance

- Principal will accept the performance of Contractor if it is free of essential defects that do not impair the functionality of the delivery item more than merely insignificantly. Contractor must evidence fulfillment of the following acceptance criteria in a formal acceptance procedure (performance substantiation) under production conditions:
 - a) Absence of planning errors and technical concept deficiencies in the delivery item
 - b) Functionality of the delivery item within the process-capable unit (overall plant)
 - c) Compliance with the contractually agreed material quality
 - d) Compliance with the contractually agreed performance parameters and process data
 - Compliance with contractually agreed or other applicable quality norms such as DIN, VDI, VDE, CE, etc., norms established by professional federations and the generally acknowledged state of science and technology
 - f) Compliance with assured characteristics
 - g) Compliance with the manufacture quality contractually agreed or matching the state of technology
 - h) Handover of the complete documentation
 - Conduct of contractually agreed trainings of the machine operators.
- The performance substantiation is over 30 consecutive working days without shift limit and presupposes 98% availability within this time period.
- 3. Acceptance is documented using the acceptance protocol of Principal. After successful performance substantiation this protocol must be signed with legally binding effect by Contractor and for Principal by the person responsible for machine acceptance. Insignificant determined deficiencies must be recorded in the protocol and corresponding periods set for residual works and defect remedies.

IV. Advance tests

Technical advance tests, production tests, shipment releases at Contractor or other performance and quality assurance measures must be documented using the acceptance protocol of Principal, but in no case do these supplant the formal performance substantiation or the final acceptance according to § 640 I BGB under item III.

V. Consequences of non-acceptance

- Determined deficiencies will be documented in the acceptance protocol. If the performance substantiation (final acceptance) has failed to evidence the necessary performance parameters, then following a deficiency remedy Contractor is obligated to carry out a further performance substantiation procedure at his own cost within an appropriate subsequent period set by Principal and agreed in writing in the acceptance protocol.
- If Contractor fails to successfully substantiate performance within the subsequent period set by Principal, or within possibly further set periods, then Principal shall be entitled to refuse further subsequent improvement works by Contractor and
 - a) either take over the delivery item in the state it is in and reduce the price appropriately,
 - b) undertake to bring the delivery item to a contractual condition himself or by third parties at the cost of Contractor, or
 - c) withdraw from the contract.
- 3. Further statutory warranty rights remain unaffected.
- Contractor indemnifies Principal against all claims raised by third parties against Principal due to deficient, late or un-rendered delivery by Contractor.

VI. Personnel deployment, Costs

- All costs incurred by Contractor in undertaking the acceptance procedure are included in the total remuneration.
- Unless agreed otherwise, Contractor must ensure that suitable personnel of Contractor are present for defect remedy and problem solution onsite throughout the entire duration of the acceptance procedure.

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