

General Terms and Conditions of Purchase**1. Scope of validity**

These general terms and conditions of purchase shall apply to all business relations with our suppliers in the case of orders, including those placed with them in future. The relevant statutory regulations shall additionally apply. Terms and conditions of the supplier shall only be binding on us if and insofar as they are recognised by us in writing with reference to a particular contract only. If terms and conditions that deviate from these general terms and conditions are agreed for a specific order, these general terms and conditions shall nevertheless apply additionally but with subordinate rank. In the absence of any express contradiction by the supplier, the supplier shall be deemed to have waived his own terms and conditions. Should any of the provisions or any part of any of the provisions of these general terms and conditions of purchase be or become legally ineffective, the other provisions and these general terms and conditions as a whole shall nevertheless remain in full force and effect. Instead of the wholly or partially ineffective provision, a provision shall apply which is legally effective and most nearly corresponds in economic effect to that intended by the ineffective provision. The same shall also apply if individual provisions should not be made part of a contract.

2. Orders

We shall only be bound by orders and call-forward notices under contracts if we have placed or confirmed them in writing. Orders placed by word of mouth or by telephone shall therefore only be valid if followed by a written confirmation.

3. Acceptance of orders

The acceptance of our orders must be confirmed in writing within 10 days. The confirmation must state the price, discount and earliest date of delivery. We shall have the right to reject order confirmations received after more than 10 days.

4. Delivery dates

If delivery or performance is not effected in full by the agreed date, we shall have the right, without the allowance of additional time, to repudiate the contract or to claim compensation for late delivery or non-performance. Also in the case of part-performance, the same shall apply in respect of the outstanding performance if the supplier should fail to effect even only one part-performance by the agreed date. As soon as the supplier recognises that it will be unable to meet a delivery date, it must inform us accordingly without delay and propose a new delivery date. We shall have the right of repudiation if we do not agree to the offered new delivery dates. This shall be without prejudice to our right to claim compensation for the loss or damage incurred through any delay in delivery.

5. Prices and terms

Unless indicated otherwise in the order, the prices stated in the order shall be fixed prices. Payment will be effected on the terms specified in the order after receipt of the invoice and the goods.

The supplier shall have a duty to take back all packaging of the supplied goods (transport, outer and sales packing) free of charge in accordance with statutory regulations or to collect it from a central collection point established by us.

6. Shipment and invoicing

Unless agreed otherwise, the goods shall be shipped free Bad Arolsen for the cost and risk of the supplier. Each shipment of goods must be accompanied by a delivery note in duplicate for us, showing the order number, the order item number and a designation of the goods with the appurtenant ALMO material number.

Invoices must be sent in duplicate to our address.

In the case of deliveries from non-EC countries, a declaration of origin must be made on the invoice.

7. Transport insurance

Insurance costs will not be borne by us. For forwarding contracts, SVS-RVS is barred. Should we specify transport insurance, we will take it out ourselves.

8. Reservation of title

In respect of rights of reservation of title of the supplier, his relevant terms and conditions shall apply, but subject to the proviso that title to an item of purchase shall pass to us on payment being effected for such item and therefore the extended form of so-called current account and multiple reservation shall not apply.

9. Legal defects

All deliveries must be free of the rights of third parties. References to such rights as well as reservations in favour of third parties and such like shall be ineffective and shall be deemed as not having been agreed even if they are contained in invoices, delivery notes, letters of confirmation etc. and have not been expressly rejected by us.

10. Non-performance of a purchase contract

In the event of failure by the supplier to fulfil a purchase contract, the buyer shall have the right, without prejudice to any other claims, to claim compensation from the supplier. The amount of compensation in such cases shall be at least equivalent to the profit margin granted. The buyer shall also have the right in the case of non-performance to demand payment by the supplier of liquidated damages in an amount of 5% of the order value.

11. Assignment

All payments will be made to the contract party only. The assignment or pledging of payments to third parties is barred.

12. Bankruptcy, cessation of payments

The opening of composition or bankruptcy proceedings against the supplier shall entitle us to cancel an order by unilateral written declaration. The same shall also apply if the supplier ceases payments, falls into payment difficulties, strives for an out-of-court settlement with his creditors or if measures for voluntary or compulsory winding-up are instituted. We shall also have the aforesaid right even if the contract has been wholly or partially fulfilled by one or both parties for as long as the warranty obligations of the supplier still exist.

13. Designs and drawings

The elaboration of designs, projects, plans, cost calculations etc. shall be free of charge for us and without any obligation on us. This shall also be the case even if we do not subsequently place an order. Drawings and models which are furnished by us to the supplier or are produced according to our indications shall remain or become our property. They may not be used for any other purpose or brought to the knowledge of any third party.

14. Repudiation of contract

Events of a force majeure nature which result in a fall in demand shall entitle us to cancel an order in whole or in part without giving rise to any claims for compensation against us. We also reserve the right to repudiate or cancel in the event of price changes on the part of the supplier.

15. Warranty

By accepting our order, the supplier guarantees the individually specified or generally valid quality of the goods (quality guarantee). Any necessary operating and maintenance instructions shall be supplied together with the shipments.

Any evident defects in the delivered goods shall entitle us to refuse acceptance. Accepted goods will be examined on a random basis in accordance with the agreed or generally recognised quality rules. Our right to give notice of evident or hidden defects shall not be dependent on compliance with certain deadlines. Notices of defects shall be deemed made in good time if they are made without delay after discovery of a defect. In cases of urgency, we shall have the right to remedy defects ourselves or to have them remedied by third parties at the supplier's expense.

The carriage for the return shipment of defective goods shall be borne by the supplier.

In the case of deliveries made not in the contractually agreed manner, Figure 4 of these general terms and conditions shall apply analogously. We shall also have the right to claim compensation for loss or damage which we can show to have incurred.

Irrespective of the foregoing, we shall charge the supplier as refund for our expenses incurred in the processing of notices of defects a general processing fee which is scaled as follows:



Value of goods excluding VAT		Processing fee
up to € 599,99-	€ 30.--	
€ 600.-- to € 2,000,99		5 % of the value of the goods
over € 2,000.--	€ 100.--	

16. Liability

The supplier shall be liable for supplying the delivered products in the quality and scope as set forth in the product description, the drawings and the quality specifications as well as in the customary quality and scope.

The supplier shall be liable for any infringement of industrial property rights of third parties arising from the supply and use of the products. He shall compensate us for any consequential loss or damage which we can prove to be due to a defect for which he is responsible in a product purchased from him.

17. Confidentiality and fidelity clause

The supplier shall have a duty to treat the order and all work associated therewith, including all appurtenant documents, devices, materials and supplies etc., as confidential. In the case of any breach of confidentiality, the supplier will be held liable for any loss or damage resulting therefrom.

19. Duty to return

Patents, manufacturing instructions, quality specifications and such like as well as production tools and equipment, materials and supplies, samples, drawings etc. furnished by us to the supplier for the execution of our orders or made by the supplier in accordance with our specifications are our property. They may not be made accessible to any third party and shall, unless agreed otherwise, be returned to us together with all copies without delay after execution of the order.

20. Other work

For construction, fitting and other work, the relevant contractual terms and conditions which are set forth in the standard building contract terms ["Verdingungsordnung für Bauleistungen"] shall apply. Agreement of the aforesaid terms shall not imply any waiver of statutory or agreed warranty claims. The contractor shall be responsible for compliance with accident prevention regulations, in particular those of the employers' accident insurance association. The contractor undertakes to inform us of the names of his personnel and to instruct them to abide by our house rules when working on our premises and to duly complete the work sheets provided by us. The use of tools and work equipment provided by us shall be for the cost and risk of the contractor.

In addition to the relevant regulations, the contractors agree to comply with all policies and legal obligations with regard to work safety, occupational safety and environmental protection. Also energy-efficient machines must be used and electricity, gas, water and oil have to be used sparingly. Thus, the contractor contributes to energy saving, as within the ALMO Erzeugnisse Erwin Busch GmbH an energy management system according to DIN EN ISO 50001 is implemented and operated.

21. Place of performance, applicable law and legal venue

Unless agreed otherwise, the place of performance for deliveries shall be our plant.

In addition to these general terms and conditions, all business relations between us and the supplier shall be governed by the law of the Federal Republic of Germany, whereby application of the UN Convention on Contracts for the International Sale of Goods shall be barred.

To the extent permitted by Art. 38 ZPO [German Code of Civil Procedure], the exclusive legal venue shall be Bad Arolsen. We shall, however, also have the right to bring legal action against the supplier at his main place of business, whereby the law applicable to that place shall apply.

Any agreements which deviate from these general terms and conditions of purchase shall only be valid and binding if agreed in writing. The same shall also apply to any amendment to this clause. No additional oral terms and conditions of sale exist.