



**Conditions of purchase of company
ACO Severin Ahlmann
GmbH & Co. KG**

1. Applicability

1.1 These Conditions of Purchase of company ACO Severin Ahlmann GmbH & Co. KG (hereinafter referred to as "ACO") apply exclusively. Any contradicting or deviating conditions of the supplier will not be recognised by ACO without its express written approval.

1.2 The Conditions of Purchase shall apply even if ACO is aware of contradicting conditions or of supplier conditions which deviate from these Conditions of Purchase and accepts the delivery of the supplier unconditionally.

1.3 The agreement between ACO and the supplier is based upon a written cooperation contract, if it has been concluded, and the written purchase order of ACO. If deviations between the cooperation contract/purchase order and the Conditions of Purchase occur, the cooperation contract and the purchase order have priority.

1.4 Any future business transactions with the supplier are also subject to arrangements from the cooperation contract and purchase order exclusively on the basis of these Conditions of Purchase.

1.5 These Conditions of Purchase also apply to contracts which pertain to the delivery of movable items to be manufactured or created. Article 651 of the German Civil Code (§ 651 BGB) is being specifically referred to.

2. Offers, Purchase Orders

2.1 To become effective the Offer (Purchase Order) aiming at concluding a supply contract requires the written form as business letter, fax, or e-mail.

2.2 The Supplier is obligated to accept the Purchase Order in writing within 14 days after the order date, stating the price and period of supply. In order to meet the deadline, it is hereby important that ACO receives the Supplier's acceptance in time. After expiry of the deadline ACO is no longer bound by its purchase order. No remuneration will be granted for generating offers, plans, drafts, and suchlike.

2.3 If nothing else has been stipulated the delivery is to be carried out "Free Works, Duty Paid" (DDP), including packaging. Even if ACO arranges the pick-up of the contract goods the agreed price includes costs for packaging if nothing else has been stipulated expressly.

3. Deadline and Delivery Dates

Any deadlines and delivery dates which have been arranged are binding. Adherence in this respect is subject to the receipt of the contract goods at ACO. If ex works has been stipulated the Supplier has to provide the contract goods, taking into account the usual time for loading and shipping.

4. Delivery Delay, Impossibility of Rendering Services, Contractual Penalty, Reasons for Rescission

4.1 The Supplier has to inform ACO in writing and without delay of any circumstances which make it impossible for him to keep the delivery date or deadline.

4.2 The Supplier is obliged to grant ACO a compensation for any damage caused by delay.

4.3 Unless otherwise agreed and in case of delivery delay ACO is entitled to claim a contractual penalty of 1 % of the delivery value for each commenced week, but no more than 5 % of the total value. ACO reserves the right to assert further claims in respect of delay.

4.4 Acceptance of a late delivery or service does not necessarily mean an abandonment of a contractual penalty. A declaration of reservation by ACO according to Article 341 Section 3 of the German Civil Code (§ 341 Abs. 3 BGB) is not required.

4.5 The agreed delivery dates have to be exactly adhered to by all means. If agreed and specified delivery dates are culpably not complied with the Supplier is without reminder obligated to grant compensation in addition to the service. ACO expressly reserves the right to assert further claims, especially the right of rescission of the contract.

4.6 If it is or will be impossible for the Supplier to render services for reasons which he is responsible for the legal regulations apply.

4.7 In case of force majeure, such as war, lockout, strike, or other unforeseeable events, which cause major stoppages, ACO is entitled, under exclusion of any claims for compensation by the Supplier, to rescind the contract.

4.8 The same applies if the Supplier cannot keep the delivery date due to circumstances of force majeure and no new delivery date is being stipulated with ACO.

4.9 In the event of opened insolvency proceedings or an application for opening insolvency proceedings against the assets of the Supplier, ACO is entitled to rescind the contract.

5. Dispatch, Passage of Risk

The specifications of section 8.2 and a precise itemisation regarding the

contents of the shipment have to be indicated on all consignment notes/delivery notes and parcel address labels. Part or final deliveries have to be stated separately for the ordering party and require express approval. Should insufficient or wrong specifications either by the Supplier or their forwarder lead to wrong or incorrect handling or customs clearing the Supplier is liable for the damage or extra costs resulting thereof. The passage of risk occurs upon arrival of the delivery at the receiving station indicated by ACO. In case of machinery and technical equipment the risk is passed over to ACO not before it has confirmed the positive outcome of functional tests.

6. Notice of Defects

6.1 ACO strives to inspect incoming deliveries as quickly as possible according to the situation of a proper business procedure and to inform the Supplier about any defects in writing as soon as possible. The Supplier waives the right to object by late notice of defects in case of obvious defects, wrong deliveries, and false quantities as well as in case of the absence of an agreed or guaranteed condition.

6.2 The Supplier guarantees that the delivery item does not show any defects deteriorating its value or its fitness, has the agreed or guaranteed condition, is suitable for the usage set in the contract, and that it meets the latest state of the art, the latest regulations of German authorities, the relevant requirements regarding safety regulations, the guidelines for safety and health at work as well as all other relevant provisions of controlling institutions. In case of mechanical equipment and machine parts which are designed for use in machinery the notice period starts with commissioning of the entire system.

7. Warranty and Product Liability

7.1 The warranty period shall be 24 months as of commercial commissioning or usage, but 30 months as of delivery at the latest. If statutory regulations allow for longer warranty periods, those shall apply.

7.2 In case of defective deliveries ACO may demand free-of-charge supplementary performance of its own choice, remediation of the defect, delivery of an item without defects or manufacture of a new product, rescission of the contract as per statutory regulations or reduction of the purchase price, or compensation or replacement of useless expenditures respectively. The latter also applies in case of omitted or failed remediation or delivery respectively. ACO is entitled to perform the remedy of defects itself or have it performed by a third party at the expense of the Supplier, if this action must not be postponed or in case of default or failure of the Supplier.

7.3 If the Supplier has guaranteed the condition or service life of the delivery item, ACO can thus also assert the guaranty.

7.4 Regarding the assertion of warranty claims the Supplier waives the plea of defence of limitation over a period of 12 months after expiry of the warranty period.

7.5 If the Supplier is responsible for product damage he has to indemnify ACO upon initial request against all claims for damages by third parties. This applies insofar as the cause for the product damage lies within the Supplier's sphere of control and organisation and he himself is liable in relation towards third parties. The Supplier assures to conclude or maintain product liability insurance with a sufficient limit of indemnity for the delivered goods.

8. Payment – Abandonment

8.1 Payment is only made after ACO has received the goods according to agreement as well as the proper and verifiable invoice. Deliveries which are made before the agreed date are deemed to have taken place at the agreed date of delivery.

8.2 The Supplier has to make sure that the specifications on the delivery documents correspond with the specifications on the invoice. Each invoice must state the Supplier's number assigned by ACO, the purchase order number, and the division or branch the goods are intended for.

8.3 If nothing else has been agreed the term of payment is payment not later than 14 days after the goods and invoices are received less 4 % cash discount or not later than 60 days after the goods and invoices are received net. Furthermore, the term of payment requires delivery free of defects.

8.4 Payment is made via money transfer or cheque.

8.5 The Supplier may only assign his claims to third parties if ACO has agreed to this beforehand in writing.

8.6 If a delivery is faulty in some way ACO is entitled to refuse payment to an appropriate extent until the order has been properly fulfilled.

9. Confidentiality

9.1 The parties undertake to keep secret all commercial and technical details that come to their knowledge in their business relations and which are not generally known.

9.2 Drawings, designs, templates, samples, and suchlike may not be given to or otherwise be made available to unauthorized persons. The duplication of such material is only permitted insofar as this is necessary for the operational procedure and in accordance with the copyright.

9.3 Subcontractors have to be put under the same respective obligations. Any violation of confidentiality entitles either party to assert the right of indemnification against the respective contract partner.

10. Provision of materials

10.1 The ownership in technical documents, designs, tools, printer's copies, drawings, and other means of production etc. which are manufactured by the Supplier at the expense of ACO passes to ACO as soon as payment has been effected. Like the means of production provided by ACO they too must be treated and stored with care, insured by the Supplier against the risk of fire, dampness or floods, theft, loss and other damage and may only be made available to or used for deliveries to third parties with the prior written consent of ACO. After the order has been processed the means of production have to be handed to ACO immediately and unsolicited.

11. Quality/Documentation

11.1 Regarding his deliveries the Supplier has to comply with the state-of-the-art technology, safety regulations as well as agreed technical specifications.

11.2 Concerning the information on the condition of the item and the guarantees the Supplier is obligated to take special records in German on the production and testing proceedings, the details of which are agreed upon between the parties separately. Sub-or prior contractors have to be put under the same respective obligations.

11.3 The Supplier is responsible for ensuring that his deliveries meet the terms of Regulation (EC) No. 1907/2006 concerning the registration, evaluation, authorisation and restriction of chemicals (i.e. the latest version of the REACH regulation). Should it be required according to the terms of the REACH regulation, the substances contained in the Supplier's products need to be pre-registered or registered at the end of the transitional period as long as the substance is not exempt from registration. The Supplier shall provide the safety datasheets required by the REACH regulation or the information required according to Article 32 of the REACH regulation, respectively. If requested by ACO, the Supplier shall also provide the information according to Article 33 of the REACH regulation.

12. Industrial Property Rights

12.1 In case the Supplier is at fault he is liable for any claim that arises if the uses of the goods in accordance with the terms of the contract lead to the infringement of industrial property rights.

12.2 If and insofar as the Supplier did not produce the delivered item according to a description supplied by ACO and the Supplier could not know, while developing the delivered item, that it would infringe industrial property rights,

the Supplier exempts ACO from any claim which arises from the use of such industrial property rights. Beyond that, the right of ACO to claim for damages remains unaffected.

12.3 At the request of ACO the Supplier will list all industrial property rights he knows of or learns of and which he uses in connection with the items delivered or to be delivered. He reassures to respect these industrial property rights.

13. Secrecy Obligation

According to the particular provisions of the German Data Protection Act (BDSG) ACO is entitled to store, transmit, revise, or delete personal data of the Supplier as part of the business connections. The Supplier is hereby informed about this according to the provisions of the German Data Protection Act (BDSG).

14. General Provisions

14.1 All purchase orders/contracts are subject to German law, even if ACO buys goods from abroad. The provisions of the United Nations Convention on Contracts for the International Sale of Goods (CISG) shall not apply.

14.2 The place of jurisdiction is to be the locally competent court at the location of ACO. ACO may take legal action against the Supplier at his place of business.

14.3 Should any of the provisions be wholly or partially held invalid, the validity of the remaining provisions or parts thereof shall not be affected, if the inapplicable provision does not endanger the aspired business success of ACO. Any invalid provision is to be replaced by one which corresponds to or comes closest in spirit and purpose to that of the invalid provision.

14.4 Customary trade terms shall be interpreted in accordance with the Incoterms effective at the particular time.