



GENERAL TERMS AND CONDITIONS OF PURCHASE OF PURMETALL GMBH & CO. KG

Valid as of 01.10.2015

I. Contract Content, Conclusion of Contract

1. These General Terms and Conditions of Purchase shall apply to all current and future orders for goods and services and their execution. We shall not be legally bound by any of the Contractor's terms or conditions conflicting with, or deviating from these Terms and Conditions of Purchase as set forth herein, unless otherwise provided for in these Contractor's terms and conditions, or in the contract with the Contractor. If we take delivery of the goods without any explicit objection, this should under no circumstance be interpreted as our approval of the terms and conditions of the Contractor.
2. If, for a particular order, special terms and conditions deviating from these General Terms and Conditions of Purchase are agreed upon, these General Terms and Conditions of Purchase shall be deemed to be of secondary importance and supplemental.
3. Tenders shall be free of charge and without obligation for us.
4. These terms and conditions only apply to transactions with entrepreneurs pursuant to Section 14 of the German Civil Code.

II. Prices

The agreed prices are quoted freight paid to the point of receipt named by us, including freightage, packaging and subsidiary costs and all subsidiary cost expressly including customs fees and motorway tolls. In case of freight forwarding we pay only the most favourable freight costs unless we have required a special routing or mode of dispatch.

III. Payment

1. Invoices shall be submitted in triplicate.
2. Supplies/services provided prior to agreed deadlines or the expiration of agreed grace periods do not affect the maturity of a payment tied to a particular deadline or prescribed period; moreover, it shall entitle us to refuse services.
3. In the absence of other agreements, the following terms of payment shall apply: we settle invoices either within 14 days, in which case we deduct 3 % cash discount, or within 30 days without deduction. If the Contractor's payment terms are more favourable, these shall apply.
4. Payment and cash discount periods begin to run upon receipt of the invoice, but not before receipt of the goods or the services, and in case of services or technical goods / machines not before their inspection, testing and approval. Furthermore, if documentation or similar data form part of the scope of the contractual service, said period shall not begin before they have completely been handed over to us.
5. Payments are effected by cheque or bank transfer. Payment shall be deemed timely if the cheque was sent off by post or the transfer made at the bank was before or on the due date.
6. We shall be entitled to exercise set-off and retention rights to the extent permitted by law.
7. Interest on due invoices cannot be demanded. The interest rate on overdue invoices is 5 percentage points above the base interest rate. In any case, we shall be entitled to prove lower damages than that demanded by the Contractor.

IV. Delivery periods

1. Agreed delivery dates and periods are binding. Impending delay in delivery shall be reported to us immediately.
2. In case of delay in delivery we shall be entitled to the claim rights provided by law. In particular, in case of unsuccessful expiry of an appropriate grace period we are entitled to demand damages instead of performance. Our claim for delivery of the goods / for performance of contract shall not be excluded until the Contractor has paid the damages.



V. Reservation of title

1. Regarding the Contractor's rights to retention of title, its terms and conditions shall apply with the proviso that ownership of the goods will pass to us upon payment and accordingly the extended forms of the so-called current account and corporate group reservation do not apply.
2. By virtue of the reservation of title, the Contractor can only reclaim the goods if he has rescinded the contract.

VI. Performance of contract, Passing of risk

1. In the case of transactions in the mechanical engineering and the installation engineering industries, the scope of delivery includes the supply of the technical documents including the manufacturing drawings and the lists of parts concerning the detailed contractually agreed scope of delivery. In case of raw material deliveries, the scope of supply of each delivery includes a representative certificate of analysis (CoA) stating all important and specific chemical and physical properties. Such CoA must be handed to us upon delivery of the goods or sent to us by e-mail the next day.
2. In the case of deliveries which are calculated according to weight, weighing is required. For billing purposes, the weight (weighbridge note) determined on the calibrated scales prescribed by us shall be final for settlement.
3. Each delivery must be accompanied by a delivery note. In the case of deliveries which are calculated according to weight, the weight note must be attached. Unloading of the goods will only begin after providing us with a electronically printed weight note. In the event that the weight documented by the supplier deviates from our measurement, we reserve the right to apply the weight as indicated on the weight note documented by our scales.

In the event that the weight note is missing or weight note stating only handwritten figures weight determination shall be done at our weighbridge. The Contractor must have the receipt of consignments confirmed in writing at the named point of destination. The same applies also to waiting time / excess unloading time provided that this is caused by us.

4. If any items that are necessary in order to carry out the contractual service are stored on our premises, this may only be done at storage sites assigned by us. The Contractor shall bear full responsibility for these items until the risk has been transferred to us.
5. The Contractor shall bear the risk of fortuitous destruction and of fortuitous deterioration of the goods, even in the case of "ex works" deliveries, until they have been handed over at the place of destination.
6. Our approval is required for partial deliveries, which must always be marked as such.
7. Excess or short deliveries shall only be permitted within the scope customary in the trade.
8. Packing costs are borne by the Contractor unless there is a written agreement to the contrary. Should we, in a particular case, bear the costs of packing, they should be kept to a minimum. The Contractor's obligation to take back packaging is determined in accordance with the current packaging ordinance and prevailing regulations.
9. All documents including delivery note must clearly state our purchase order number, date of purchase / call off, date of delivery, place of unloading, product and grade as well as our PURMETALL product code. Delivery notes with and / or without handwritten comments have to be countersigned by our authorized employee at place of unloading. In case of missing countersignature the Contractor has failed to proof delivery and we are entitled to refuse payment.

10. The following regulations and instructions in the appendix form an integral part of our current General Terms and Conditions of Purchase:

- Additional regulations for machines and technical equipment / EC-conformity (Annex no. 1)
- Contractor's performance / service on our premises or on third party premises (Annex no. 2)
- Security check / security instructions for the third parties (Annex no. 3)

The contractor is obligated to conform to the items provided in the appendix for services provided within in the scope of this contract.

VII. Declarations on originating status

In case the Contractor submits declarations regarding the originating status of the goods sold, the following shall apply:

1. The Contractor shall enable the customs authorities to examine the proofs of origin and give the necessary information and submit any certificates required.



2. The Contractor is obligated to pay compensation for a loss incurred as a result of the declared origin not being recognized by the competent authority due to incorrect certificate or improper traceability. The Contractor will, however, only be faced with this liability if he is guilty of culpable behaviour or in the absence of a warranted property or quality.

VIII. Liability for defects, statute of limitations

1. The Contractor is under obligation to procure the goods free from material defects and defects in title. He must, in particular, guarantee us that his deliveries and performances conform to the recognized rules of good engineering practice and to the contractually agreed characteristics and standards as well as the safety, labour protection, accident prevention and other regulations.
2. Upon arrival, the goods will, to the extent reasonable and technically possible for us, be examined as to their quality and completeness. Reports of defects shall be considered timely – also pursuant to Section 377 of the German Commercial Code (HGB) – if they are received by the Contractor within 14 working days by letter, fax, e-mail or telephone. The prescribed period for reporting defects begins at the time we – or in case of direct shipment to our customer (so called drop shipment) – discover the defect or should have discovered it.
3. If there is a material defect in the goods, we shall be entitled to the legal rights at our discretion. We can claim reimbursement of the expense suffered from the Contractor, which we have to bear in relation to our customer if the defect already existed prior to the time at which the risk passed to us.
4. Our claims for defects are subject to the statutes of limitation. The Contractor's liability for defects, however, ends in any case ten years after delivery of the goods. This limitation does not apply if our claims are based on facts which were known to the Contractor, or about which he cannot have been unaware and which he failed to disclose.
5. The Contractor, here and now, assigns to us – on account of performance – all claims he has against his supplier by virtue of and in connection with the delivery of defective goods, or goods not in specification with the warranted quality. The Contractor will hand over to us all documents necessary for our enforcement of such claims.

IX. Tools, models, drawings and other data

1. Tools, models, drawings and other data made available by us, or manufactured for us, may be used exclusively for the execution of our orders. They may not be made available to third parties without our approval and shall be properly stored until revocation, however, no longer than two years after the last use and shall be handed out to us afterwards.
2. The manufacture as well as the processing and modification of such tools, models, drawings and other data which the Contractor makes on our behalf, shall result in our gaining of ownership as manufacturers.

X. Place of fulfilment, place of jurisdiction, applicable law

1. Place of performance for delivery and payment and exclusive place of jurisdiction is Oberhausen (Rhld). We are also entitled to bring suit against the Contractor at its court of jurisdiction.
2. All legal relations between us and the Contractor shall, in addition to these General Terms and Conditions of Purchase be governed by German law, including the provisions of the United Nations Convention on Contracts for the International Sale of Goods of 11.04.1980 (CISG).
3. For cross-border deliveries, the sole court of jurisdiction for all disputes arising out of the contractual relationship shall be the corporate seat of our company in the Federal Republic of Germany. We also reserve the right to invoke any other court which is competent by virtue of EuGVÜ or EuGWO.
4. In case of doubt or any inconsistency between the German and English version of these General Terms and Conditions of Purchase, the German version shall be deemed the authoritative version.
5. If a provision of these General Terms and Conditions of Purchase should be or become ineffective and / or inexecutable, in whole or in part, the remainder of the provisions shall remain in effect.



Annex no. 1: Supplementary provisions when ordering machines in terms of the EC Machinery Directive

Upon acceptance of the order the contractor obligates himself to adhere to the following provisions i.e. demands (in each case the currently valid version):

- EC Machine Directive 2006/42/EC as well as its national implementation (9. ProdSV),
- EC EMC Directive 2004/108/EC as well as its national implementation (Law on the Electromagnetic Compatibility of Equipment (EMVG))
- EC Low Voltage Directive 2006/95/EC as well as its national implementation (1. ProdSV),
- EC Pressure Equipment Directive 97/23/EC as well as its national implementation (14. ProdSV),
- EC Framework Directive on Industrial Safety 89/391/EEC as well as its national implementation (Industrial Safety Act),
- EC Work Equipment Usage Directive 89/655/EEC as well as its national implementation (Work Equipment Usage Ordinance and Industrial Safety Regulation),
- EC Explosion Prevention Directive 94/9/EC as well as its national implementation (Industrial Safety Regulation),
- Other applicable community directives of the EC,
- Product Safety Law (ProdSG),
- Other relevant ProdSG directives applicable for the ordered machine,
- All current harmonized European basic and group standards for the ordered machine, in particular

DIN EN ISO 4413	General safety requirements with regard to demands on hydraulic systems and their components
DIN EN ISO 4414	General safety requirements with regard to demands on pneumatic systems and their components
DIN EN ISO 11161	Safety of machines – Integrated manufacturing systems
DIN EN ISO 12100	Safety of machines
DIN EN ISO 13849	Safety relevant parts of controls
DIN EN ISO 13850	Emergency stop design guidelines
DIN EN ISO 13857	Safety distances to prevent danger zones from being reached by the upper and lower limbs
a DIN EN 349	Minimum distances to prevent crushing of body parts
l DIN EN 614	Ergonomic design guidelines
l DIN EN 626	Reduction of risk to health from hazardous substances emitted by machinery
DIN EN 953	Separating safety guards
F DIN EN 1037	Prevention of unexpected start-up
U DIN EN 1088	Locking systems
l DIN EN 1127	Explosive atmospheres - Explosion prevention and protection
o DIN EN 13478	Safety of machinery - Fire prevention and protection
e DIN EN 60204	Electrical equipment of machinery (VDE 0113-1)
a DIN EN 61310	Indication, marking and actuation (VDE 0113-101)
n DIN EN 61496	Contactless safety devices (VDE 0113)
DIN EN 62061	Functional safety of electrical, electronic, programmable electronic safety-related control systems

- all European product standards current for the ordered machines
- all other European and international standards applicable for the machine, in particular



DIN EN ISO 11688	Acoustics - Guidelines for the design of low-noise machinery and equipment
DIN EN ISO 11690	Acoustics - Guidelines for the design of workplaces equipped with low-noise machinery
DIN EN ISO 15667	Acoustics – Guidelines for noise protection by capsules and cabins
DIN EN 50178	Electronic equipment for use in power installations
DIN EN 60529	Types of protection by enclosures (IP Code)
DIN EN 61000...	Electromagnetic compatibility (EMV)
DIN EN 61508...	Functional safety of safety-related electrical, electronic, programmable electronic systems
DIN EN 62079	Preparation of instructions - Structuring, content and presentation

In the absence of harmonized European norms for the ordered machine, the contractor is obligated to observe the **German** norms and specifications publicized by the federal government in the “**List of standards pursuant to Machine Ordinance – 9. ProdSV**”.

If in justified cases the harmonized European norms or German norms and specifications are deviated from, it will need to be proved and documented that an equal degree of safety has been achieved by other means.

Constituent to this obligation is that

- affixed to a machine which is ready for operation is the **CE marking**,
- for a machine with CE marking, issued and attached in German is an **EC Declaration of Conformity** pursuant to Annex II A of EC Machinery Directive,
- included with a machine which is not ready for operation (not provided for under the Directive) is the manufacturer's declaration in accordance with Annex II B EC Machinery Directive. **Realization of the product requirements of relevant domestic market guidelines – insofar as possible in the scope of delivery – is stipulated and needs to be certified.**
- submitted for a machine pursuant to Annex IV EC Machinery Directive is a certificate issued by an authorized testing and certifying body (if necessary, proof of the EC type examination),
- included are **operating instructions** in German pursuant to Annex I EC Machinery Directive and DIN EN ISO 12100-2 (including the **noise emission and, if necessary, vibration parameters** required therein),
- a **technical documentation** in accordance with Annex V EC Machinery Directive is available. Insofar as not agreed otherwise by contract, it is mandatory that the following constituents of the technical documentation be included in the scope of delivery of the machine (if not present in the operating instructions):
 - detailed overall plans of the machine as well as the control circuit drawings
 - maintenance and repair plans
 - a description of the solutions selected for prevention of hazards emanating from the machine (description of protective measures)
 - spare parts lists
 - structural analyses, if necessary

To be on hand in particular is a:

- hazard analysis
- risk assessment
- list of the fundamental requirements pursuant to the machinery directive, norms, and other technical specifications which were taken into account when the machine was manufactured.

These obligations are part of the purchase agreement. If they are not fulfilled, the contract will be regarded as improperly implemented. We reserve the right regarding any claims for compensation resulting therefrom.



Annex no. 2: Services on own and third-party property

The contractor has prior to acceptance of order informed himself regarding the local conditions by means of visual inspection, i.e., through talks with employees of Purmetall GmbH & Co. KG. The choice of machines, modality and expenditure have been determined, i.e., recommended by the contractor in knowledge of the requirements.

The contractor guaranties and pledges that all materials, machines and tools delivered, i.e., used by him comply with the current legal provisions, prescriptions and directives of public authorities and professional associations as well as site regulations possibly diverging therefrom.

In the event that in the course of job execution situations arise which demand an additional, unforeseeable expenditure, the express consent of the principal (purchasing department) is required prior to the service. Any modification of the scope of delivery and services, in particular any consequent costs, must be in writing to be effective.

Obstacles to work which are related to operations cannot be excluded and are to be taken into account by the contractor when executing the tasks.

Contained in the scope of delivery and services are all of the machines and materials (apart from, should the situation arise, the provision of PURMETALL materials and/or when ordering written agreements agreed and closed elsewhere) necessary for carrying out the work, including a proper clearing of the site; i.e., the contractor is obliged on a regular basis and upon completion of work to clean the areas, grounds and plant spaces used by him. If he fails to do so, the necessary measures will be arranged by PURMETALL at the cost of the contractor.

The contractor performs all tasks on his own responsibility, with his own personnel and with his own equipment as well as protective equipment.

Prior to the commencement of work, a safety briefing/safety check for contractors will be conducted by responsible persons designated by PURMETALL. In the absence of this safety briefing/safety check, work may not be started.

The contractor bears the responsibility for observance of the work rules and safety by his personnel and eventual subcontractor personnel. The foreman of the contractor is charged with orienting himself to the relevant PURMETALL work rules and safety regulations and with instructing the personnel accordingly.

PURMETALL enjoys property rights and has managerial authority over all of the employees of the contractor. PURMETALL can demand that employees conspicuous through poor workmanship or workflow-disruptive behavior immediately leave the premises. Claims against the principal do not arise therefrom.

The tasks are to be performed under the supervision of a responsible appointee who during the construction period may only be exchanged with the consent of PURMETALL. PURMETALL can demand his removal.

The contractor is to provide for the adequate security of the employees who perform the tasks against risks related to liability and industrial accidents as well as for the appropriate furnishing of the employees with work equipment and occupational safety means suitable for use in, among other things, steelworks.

Upon arrival at the site, prior to commencement of work, the employees of the contractor are to give notice of arrival to the responsible PURMETALL employee, i.e., to a third party determined by PURMETALL. Upon completion of work the employees are to give commensurate notice of departure.

Regarding the performed tasks, the employees of the contractor are to present time sheets and shift sheets in which the performed tasks and their duration are clearly visible and comprehensible. The time sheets and shift sheets are to be countersigned by the responsible PURMETALL employee, i.e., by the third party determined by PURMETALL, and included in their invoice.



In the event that in the period of execution of the tasks commissioned by this order further tasks are performed by the contractor on the site of the principal, it is explicitly to be ensured that there is a clear distinction between the respective order-related tasks.

The contractor is to clean on a regular basis and upon completion of work the areas, grounds and plant spaces used by him. If he fails to do so, the necessary measures will be arranged by PURMETALL at the cost of the contractor.

Vehicles are absolutely to be parked, i.e., positioned so as to guarantee use of the roadways and access to facilities at all times. Designated and marked parking zones are to be utilized accordingly.

This annex is an essential constituent of our order referred to above. Upon acceptance of order, the conditions will be applicable as agreed.

Annex no. 3: Safety Check for Contractors

Work area: _____	Emergency call: 1 1 2
Place and type of work: _____	for Defects or malfunctions
Date of execution: _____	☎ 0208850020
<input type="checkbox"/> Single execution, referring to the activity <input type="checkbox"/> Year execution	

Hazards	
Risk of falling	<input type="checkbox"/>
Danger of fire	<input type="checkbox"/>
Danger of explosion	<input type="checkbox"/>
Gas hazard	<input type="checkbox"/>
Danger of contact with hot materials/media	<input type="checkbox"/>
Danger arising from hazardous materials	<input type="checkbox"/>
Danger of electric shock/flashover	<input type="checkbox"/>
Danger of radiation	<input type="checkbox"/>
Danger of crushing by moving machine parts	<input type="checkbox"/>
Danger of crushing by facilities starting automatically	<input type="checkbox"/>
Danger of crushing by moving means of conveyance/production	<input type="checkbox"/>
Danger of spilling, sinking and/or drowning	<input type="checkbox"/>
Danger of air, water, soil contamination, noise pollution and/or improper waste disposal	<input type="checkbox"/>
Danger of working in confined spaces	<input type="checkbox"/>
Danger of hampered visibility	<input type="checkbox"/>
Reciprocal hazards	<input type="checkbox"/>
Other hazards:	<input type="checkbox"/>
.....	<input type="checkbox"/>
.....	<input type="checkbox"/>

Measures	
Instruction of contractor employees by service provider (name): _____	<input checked="" type="checkbox"/>
Instruction of subcontractors by service provider (name): _____	<input type="checkbox"/>
Inspection of work equipment prior to commencement of work; do not use defective work equipment (eliminate!)	<input checked="" type="checkbox"/>
Sign on/off	<input type="checkbox"/>
Clear	<input type="checkbox"/>
Shut off list	<input type="checkbox"/>
Burning and welding permit	<input type="checkbox"/>
Permit-to-work	<input type="checkbox"/>
Gas warning device	<input type="checkbox"/>
Protective clothing	<input type="checkbox"/>
Prohibition of smoking and open fire	<input type="checkbox"/>
Report of environmentally relevant events	<input type="checkbox"/>

Implementation
Review of the measures by (name): _____ <input checked="" type="checkbox"/>

Operation: Purmetall GmbH & Co. KG Date/ Name: _____ _____ Signature	Principal: _____ Date/ Name: _____ _____ Signature	Company: _____ Date/ Name: _____ _____ Signature
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