

## **General Terms and Conditions of Sales**

### **1. General Terms – Area of Validity**

(1) We supply exclusively on the basis of the following terms and conditions of sale. We explicitly counter the customer's business and purchase conditions. We are only obliged to observe them insofar as we explicitly declare our agreement in writing. Our terms and conditions of sale are also valid even if we have knowledge of the customer's contradictory or deviating conditions when completing delivery.

(2) Our terms and conditions of sale are only valid with relationship to persons as defined by § 310 Abs.1 BGB (German Code of Civil Law) (entrepreneurs, legal persons under public law or public special assets).

### **2. Offer – Conclusion of Contract**

(1) Our offers are subject to change without notice. Orders placed in writing, by telephone, verbal agreements, accessory agreement, amendments require our written approval to become effective.

(2) If delivery is made without prior confirmation of order, our sales invoice should be applied as our order confirmation. Samples, details and other documents concerning our goods (technical data, measurements etc.) are only approximate and not exact; they are no guarantee of specifications, unless such a guarantee is confirmed explicitly and in writing.

(3) We reserve the right to accept offers within a time of 4 weeks. The acceptance will be declared either in writing or by supply of the goods to the customer.

### **3. Terms of Payment – Right of Retention – Default of Payment**

(1) The agreed conditions for payment shall apply exclusively. The prices we quote are to be understood as ex works if not otherwise agreed in writing. Packing will be charged separately according to outlay. We can conclude transport insurance as required by the customer and at the customer's expense.

(2) Statutory value added tax is not included in our prices; the tax is quoted separately in the invoice taking into consideration the relevantly valid rate.

(3) We have no obligation, to accept bills of exchange or cheques as means of payment.

(4) Deduction of discount must be agreed in advance in writing.

(5) The customer's reservation rights, based on other contractual relationship, are excluded. The customer's reservation rights based on the same contractual relationship are also excluded insofar as counter claims are disputed or are not subject to a legally binding decision. The customer is not entitled to set off a counter claim insofar as this liability is disputed or is not subject to a legally binding decision.

(6) We are entitled to raise the agreed price if our suppliers' prices or other costs pertaining to our goods (including public charges) are increased between conclusion of the contract and delivery; otherwise the price quoted in the confirmation of the order is valid. Price increases shall become effective as soon as we pass them on in writing to the customer.

(7) Should the customer default on payment then we are entitled to charge interest amounting to 8 % above the relevant basic rate of interest. We reserve the right to prove and claim higher default compensation. The customer must prove that we have suffered less or no default damage.

(8) Should the customer be in default of due complete or partial payment, then we are entitled to withdraw from the contract, should payment not be completed after a reasonable extension. Our right to withdraw shall also apply if circumstances become known that reduce the customer's creditworthiness. As an alternative to our rights to withdraw we can require security from the customer.

### **4. Delivery Dates – Default**

(1) Our delivery dates are as a rule only approximate and not binding. Agreements of a different nature concerning definite delivery dates must be made explicitly and in writing. If we are unable to complete delivery on time we will inform the customer immediately.

(2) Agreed definite delivery dates shall not commence prior to final clarification of the last questions relevant to the consignment.

(3) Unforeseen incidents outside our responsibility and which prevent us from fulfilling our delivery and obligation to perform, shall lead to a reasonable extension of delivery dates. These include in particular acts of god, strikes or lock-outs or impact of industrial action, shortage of energy, delay in supplying important materials, import difficulties, as well as unforeseen obstacles in our company or at one of our suppliers as operating or transport disruptions, material scarceness regulatory or official intervention. Should any of the aforementioned circumstances make a delivery or provision of services completely or partially impossible or unbearable then both the customer and we are entitled to withdraw from the contract. Claims to compensation by the customer shall be excluded. Should we withdraw from the contract then we will immediately refund the customer all payments already made.

(4) Should we be delayed in completing the consignment for reasons within our responsibility then the customer is entitled to demand reasonable compensation for the delay taking into consideration the value of the consignment. If in the course of the delay, which is our responsibility, the customer grants in vain a reasonable extension then he may withdraw from the contract.

(5) We are not responsible for delays in completion that are due to failure by the customer to fulfil obligations to co-operation. If dispatch is delayed due to circumstances within the field of responsibility of the customer, expenses incurred by third parties or ourselves for storage will be charged as from 14 days following notification of readiness for dispatch. If an extension we granted remains fruitless we are entitled to dispose otherwise of the subject of the consignment and to supply the customer after a reasonable extension.

(6) Should the customer be in default of acceptance or should he breach other obligations to co-operate, then we are entitled to demand compensation for the damages we incur, including any extra expenses. In this case the risk of accidental loss or incidental deterioration shall pass to the customer from the time the customer is in default of acceptance.

## **5. Retention of Title**

(1) The goods we supply shall remain our property until all claims are fulfilled that are due to us for any legal reason in the framework of the business relationship with the customer. Should the buyer fail to comply with a date for payment or breach other contractual agreements, or if circumstances come to our knowledge that are likely to reduce the buyer's creditworthiness, then we are entitled to forbid resale of the reserved goods, to demand return of the goods or concession of direct possession at the buyer's costs, or, if the goods have already been resold, but paid for completely or partially, to demand direct payment from the buyer's final customer. Taking back the goods does not construe withdraw from the contract unless we declare withdraw explicitly in writing. Having taken the goods back we may dispose of them; the proceeds from the sale is to be deducted from all the customer's liabilities – less reasonable utilisation costs.

(2) The customer shall accept the obligation to treat the goods with care, and to insure them adequately against fire, water and theft to the equivalent value of newly bought articles.

(3) The buyer is obliged to inform us immediately of seizure or any other impairment by a third party. Insofar as the third party is not in a position to pay us the extra-judicial and court fees as defined by § 771 ZPO (German Code for Civil Proceedings), the customer shall bear liability for any losses we incur.

(4) Furthermore, the customer shall accept obligation only to sell the reserved goods in regular business transactions under the customer's normal general terms and conditions of sale and as long as he is not in default of payment. He is only entitled to resell the reserved goods under the condition that all claims from resale amounting to the invoiced amount shall be passed on to us according to the following conditions.

(5) Surrender shall take place independently of whether the goods were processed or not prior to resale, whether the reserved goods are sold to one or several buyers. However, the customer shall still be entitled to collect the surrendered claims from resale until we declare revocation, possible at any time. Our authority to collect the claim shall remain unaffected. However, we accept obligation not to collect the claim as long as the customer complies with his obligations to payment from the agreed proceeds, is not in default of payment and in particular, no application for the opening of bankruptcy proceedings has been submitted or insolvency has been established. If this is the case, however, then the customer is obliged to inform us of the surrendered claims and the names of his debtors, to pass on all details needed for collection, to surrender the corresponding documents and to inform the debtors of the surrender.

(6) The processing of our reserved goods is always being done for us. If the goods delivered by us are incorporated into, combined with or mixed with goods which constitute the property of third parties, we shall have co-ownership of the new item or the mixed asset on the basis of the ratio between the value of the goods in which it has retained title and the value of the other goods on the date of such incorporation, combination or mixing. If the purchaser acquires sole ownership of the new product, he herewith undertakes to transfer to us co-ownership of the new product in the proportion of our invoiced value of our reserved goods to the value of the other compounded or confused items at the times of compounding or confusion. The customer retains the thus created sole or joint ownership for us.

(7) The customer is on no account entitled to surrender the claim. Neither is he entitled to dispose of the reserved goods in any other manner.

(8) As we may require the buyer is obliged to inform his customer immediately of surrender to us – insofar as we do not inform the buyer's customer ourselves – and to provide us with documentation, as well as to forward the information and documents required for collection of the surrendered claim together with the documentation.

(9) As required by the buyer we are obliged to release securities, in our discretion, insofar as the realisable value of the securities exceeds our claim by more than 20 %. With the payment of all our claims from the business relations, the title in the goods under reservation and the transferred claims pass over to the buyer.

## **6. Transfer of Risks**

(1) The risk of incidental loss and incidental deterioration of the goods shall pass to the customer on surrender, in the case of dispatch on surrender of the goods to the transport company, the carrier or the customer if some other person or organisation is assigned with completion of delivery.

(2) If dispatch is delayed on request by the customer or if the goods are not accepted for reasons outside our responsibility, then risk shall be transferred to the customer from the time of notification of readiness for dispatch. The customer shall bear all warehouse charges after the transfer of risk.

## **7. Liability – Warranty**

(1) The customer is responsible for an immediate examination and notification of defects. Complaints relating to recognisable defects or recognisable incompleteness or incorrect delivery must be made to us immediately in writing after receipt of delivery. Complaints regarding hidden faults shall be notified forthwith after detection of such faults and including a detailed written description of such faults. The customer fully bears the burden of proof for all requirements for claims, especially for the deficiency itself, for the time of detection of the defect, and for the timeliness of the complaint. Claims of the customer for hidden faults and any non-designated deficiencies shall expire at the latest one year after delivery of the goods.

(2) Changes in construction or execution correspond to the respective state of the art. Changes in construction or workmanship which we or our suppliers generally implement after contract conclusion and which quality and operability of the delivery article does not impair shall not form the claim basis for a complaint.

(3) The seller is not obliged to satisfy warranty claims if the customer fails to submit notification of complaint on time and in writing. Insofar as the goods show defects for which the seller is responsible and the customer submits the complaint in time and in writing, we are – excluding the customer's rights to withdraw from the contract or to reduction of the purchase price – entitled to rectify the situation, unless we are entitled to refuse rectification on the basis of legal regulations. The customer must grant us a suitable extension to rectify each individual defect.

(4) The customer may choose rectification in the form of removal of the defect or delivery of new goods. We are entitled to refuse the customer's choice if completion is only possible with unreasonably high costs. During rectification the customer is not permitted to reduce the purchase price nor withdraw from the contract. Rectification shall be accepted as failed after the second attempt. If rectification fails, or if we generally refuse to carry out rectification, then the customer may demand either a reduction in the price or withdraw from the contract. The customer shall only have no right to withdrawal in the case of minor defects.

(5) Should we deliver defect-free goods by way of subsequent performance, or should the customer withdraw from the agreement, the customer shall pay compensation for the use derived therefrom. The value of the benefit derived shall be determined by pro rata temporis straight-line depreciation in the ratio between the actual period of use and the estimated useful life.

(6) We do not accept any guarantee for damages if the product is modified by third parties or due to the installation of parts manufactured by third parties, if the delivered goods are assembled or started up incorrectly by the customer or third parties or that defective executions of construction are. Warranty shall furthermore expire if legal regulations or installation and treatment specifications specified by us or our suppliers are not complied with.

(7) The warranty period shall be one year as from delivery of the goods. Used goods are not covered by the guarantee. No guarantee is accepted for wearing parts.

(8) The customer may only lay claim to compensation for defects under the following conditions if rectification has failed or we have refused rectification in general. The customer's right of submit additional claims for compensation under the following conditions shall remain unaffected.

(9) The liability for slight negligent violations of obligations shall be ruled out. Excluded herefrom shall be any liability arising from damage to life, body or health resulting from a negligent breach of duty by us or one of our legal representatives or vicarious agents. Any claims for compensation for the violation of the essential contractual obligations are limited to foreseeable damages typical to the contract.

(10) Additional claims by the customer, apart from the above named cases, are excluded irrespective of the legal grounds. We are in particular not liable for damage that is not incurred on the goods themselves and not for other damage to the customer's property.

(11) All of the above limitations of liability shall not apply where a defect is fraudulently concealed or assume any guarantee in this respect. The liability based on the provisions of the Produkthaftungsgesetz (German Code of Product Liability) remains unaffected.

## **8. Final Conditions**

(1) Place of fulfilment and jurisdiction shall be the headquarters of our company. However, we reserve the right also to bring charges against the customers at his seat of business.

(2) German law shall also apply exclusively to deliveries abroad. The application of UN purchase law (CISG) is excluded.

(3) The customer accepts obligation to release us from all claims that may ensue due to exporting our goods insofar as we do not explicitly supply them for export.

(4) We reserve the right to change these general trading conditions at any time and without naming reasons. If there is any revision, the contracting parties will be informed in good time, however, at least four weeks before the changes take effect. Should the contracting parties not object to the changes within four weeks, then the changes are regarded as accepted. The contracting parties shall be informed of this consequence in the change notification, if the contracting parties have not objected to these changes.

## **9. Severability clause**

Should any one condition of this contract with the customer including these general terms and conditions of sale be or become completely or in part ineffective, the validity of the other conditions shall not be affected. The void, ineffective or unenforceable provision shall be replaced by another effective one, coming as close as possible to the void provision.

As of August 2014