

# General Terms and Conditions

For all contracts to be awarded, only this standard form shall be applicable. Any variation to these Conditions (including any special terms and conditions agreed between the parties) shall be inapplicable unless agreed in writing by Seller. Verbal orders, supplements, or any other agreements regarding orders already placed shall be binding only if agreed by both parties in writing and signed on their behalf. Our offers are non-binding.

## 1. Delivery :

We have performed our obligation to deliver, as soon as the goods are displaced at Customer's disposal in the agreed store; in case of carriage paid delivery as soon as the Goods are handed over to a freight forwarder; and in the case of CIF or CIP Sales as soon as the documents conforming to contract are handed over to Customer. The Goods are always forwarded at Customer's risk, also when both parties have agreed upon franco-delivery. In this case we can choose the mode and routing of the transportation. We are entitled to partial delivery. Customers undertake to supply, in accordance with Sellers' requirements, all necessary Import Licences, Import Certificates, End Use Certificates, and/or Delivery Verification Certificates, all of which shall be valid in full force and effect. Customers represent and warrant that they have obtained all necessary permissions and complied with all applicable regulations and formalities before entering into this Contract and Customers undertake to indemnify and hold Sellers harmless from and against all claims, demands, actions, proceedings, liabilities, losses, costs, charges, and expenses which may be made or brought against Sellers or which Sellers may suffer or incur in consequence of Customer's failure so to do. In case it turns out, after the conclusion of the contract, that the goods fail to fulfil the German legal requirements, we are entitled to withdraw from the contract, and Customer cannot assert any claim because of our withdrawal, except those to restoration of what has been received in performance of the contract. For goods to be discharged, goods afloat or carted goods delivery provides that we will have been supplied correctly and punctually ourselves. The delivered goods are intended to be used in the country where they were ordered from. Export, especially resale, of the Goods that were delivered by us, across the border of the country where we delivered to, can only be permitted with our express prior consent which Customer is obliged to procure beforehand.

## 2. Delivery period :

Delivery under this Contract shall be subject to, and Seller shall be in no way liable for, any loss or damage of any kind caused by or resulting from inability to deliver or delay in delivery arising from force majeure: any circumstances beyond our control including in particular, but without limitation; strikes, war, riot, civil commotion, any natural phenomenon or Act of God, breakdown or prevention of working of machinery, detention or interruption of any means of transportation, requirements or regulations of any state - no matter whether they occur in our or in our supplier's sphere. In the event of Seller's inability to effect delivery by reason of any of the above-mentioned circumstances, Seller shall be at liberty to postpone delivery. Any of these circumstances release us of the duty to observe the time of delivery for the period of the restraints and some reasonable time afterwards. In this case we are not in default. This shall also apply to products in the case of restraints in processing or packing in whole or in part, even when the contract was concluded during the period of any such circumstance. If it is foreseeable that the restraints will last longer than 12 months, we are entitled to cancel the remaining delivery order. But if we will deliver, Customer is obliged to give us a reasonable extension of time. Customer may only withdraw from the unexecuted part of the contract, if we did not give notice of our willingness to deliver before the additional period of time fixed by Customer expired. Any damage claims are excluded. If Customer is fixing a time of delivery, we are entitled to deliver up to 3 working days before or after the fixed date.

## 3. Quantities and Condition :

Indications of quantities permit quantity variances. Seller shall have the option to deliver more or less than the Contractual quantity or weight of the Goods - complying with trade custom. Composition of the Goods are subject to modifications that comply with technical developments, optimisation and/or amendments of provisions of public law, as long as these modifications do not deteriorate the quality stipulated by Contract and remain within the limits of reasonableness.

## 4. Price :

The Contract Price is based on freight rates duties, taxes or any other levies on export, sea freights, marine insurance, handling charges or other expenses, that are beyond Seller's control and any surcharges ruling at the date of the Contract. Any new surcharges payable at the time of importation, or any increase in an existing surcharge, shall be for Customer's account. Unless otherwise expressly agreed, prices are charged ex works plus value added tax. Charges for necessary packing will be invoiced extra.

## 5. Payment :

Our invoices are, if not otherwise expressly agreed, to be paid in Euro. Payment shall be due within 10 days of date of invoice, if no other date is fixed, without deduction. Time for payment shall be of the essence. Incoming payments are credited against the oldest invoice. Offsetting in relation to counter-claims that are not admitted by us nor determined by final judicial decision or withholding of performance is excluded, unless this is based upon legitimate notice of defects. In this case payments can only be retained in accordance with no. 7 of these Conditions. Bills of exchange and cheques are only accepted as means of payment that do not substitute payment in cash but only supply it, but can also be rejected, according to our choice. Discount charges, charges for direct debiting are for Customer's account. In case of default the Seller may charge interest at 12 % p.a., not less than 8 % above the discount rate of the European Federal Bank (EZB) ruling at the time of commencement of the default, as well as expenses according to local custom. It is not necessary to send a reminder. In the event of default in payment or of an unfavourable financial position or damage to Customer's creditworthiness - a simple information about this will be sufficient - we are entitled to demand reasonable security for all claims also for those that may arise from this business relation in the future. We are also entitled to effect outstanding deliveries for prompt cash only and to take back goods that we had delivered by way of security, and, after announcement, to sell all pending, unfulfilled contracts for Customer's account or to withdraw from the contract. Claims against Customer remain unlimited. Customer is not entitled to assign claims based on contract to a third party without our consent.

## 6. Retention of Title :

The Goods shall remain Seller's sole and absolute property as legal and equitable owner until Customer's full payment for the goods and all other Goods and services supplied to Customer including all claims for damages, supplementary claims and until clearing of bills of exchange and cheques. Customer is entitled to process and resell the Goods in the ordinary course of business - in accordance with the following provisions:

- Customer acknowledges that he is in possession of the Goods solely as fiduciary and bailee for Seller; He is obliged at his own expense to store the Goods safely and take every care to protect the interest of the owner, and to insure the Goods. Customer assigns his future insurance claims to Seller to the amount of the unpaid Seller's lien, he agrees that Seller will cash the policy and on our request, Customer shall hand over the insurance policy to Seller so that Seller is enabled to claim directly from the insurer.
- As long as Customer fulfils his obligations to us properly, he is entitled to dispose freely of the Goods in the ordinary course of business until Seller withdraws this entitlement which is possible any time. Customer assigns all his future claims, security rights and subsidiary claims resulting from his joint contract and business relations that arise from his resale of the unpaid goods by way of security. The assignment refers to the proportional amount of our invoice in the ratio of the resold partially resold privileged property. This applies correspondingly to unpaid Goods that Seller owns proportionally. In case that Customer uses the reserved goods to process objects that are in a third party's property, Customer assigns all his future claims against the third party to us by way of security. The right of resale is not given in the case of a prohibition of assignment between our Customer and his buyer concerning the claim of the purchase price. Furthermore Customer is not entitled to pledge our reserved goods or to burden them any other way or to assign them to a third party by way of security.
- Customer may manufacture the unpaid Goods only as Seller's agent. The new product will become the privileged property of Seller. If our unpaid Goods are mixed or manufactured together with other goods that are in the property of a third party, the said resulting product shall become or be deemed to be owned by us in common with the other party in proportional share of the invoice value of our unpaid goods and the invoice value of the other party's goods. This applies correspondingly to admixture or union of our unpaid Goods and other goods that are in Customer's property.
- Seller may withdraw from the Contract and reclaim the Goods as soon as the payment for them becomes overdue, without having to rescind the Contract and Customer has not provided a sufficient security in accordance with no. 5 of these Conditions. Seller may for the purpose of inspection or recovery of the Goods enter upon Customer's premises or any other place where the Goods are stored. Customer in this case waives the defence of trespass to chattels. The recovery of our unpaid Goods shall not be a cancellation of the Contract unless expressly announced. The costs of recovery shall be for Customer's account. Seller is entitled to sell the resumed Goods at best; by auction or by open-market sale. Seller can charge the proceeds against our claims.
- If Seller may fear that his demands will not be met, Customer has - on Seller's demand - to inform his customers about the assignments, and he has to support us with all necessary information and all relevant documents so that we are enabled to contact their customers directly.
- If the value of the securities that belong to us in accordance with the foregoing provisions exceed the secured claims against Customer more than 20 %, Customer is entitled to demand release of securities to that extent. The choice of the securities to be released in this case is ours.

## 7. Warranty :

Any deficiency claims in relation to the Goods must be notified in writing to Seller within 7 days after receipt by Customer, loss or damage that is not externally visible within 3 days after discovery; otherwise the Goods are deemed as accepted.

In the event of any such rightful notification Seller can, at our option, safeguard either by subsequent improvement or replacement delivery. Seller obtains the ownership of any substitute Goods or constituent parts.

If the chosen means does not serve its purpose, Customer can - in principle -, at his option either demand reduction of the purchase price or withdraw from the Contract. In case of only minor lack of conformity with the Contract, especially only minor defects of goods, Customer has no right to withdraw from the Contract.

In case of failure of the chosen means the following applies:

- If Customer chooses withdrawal from the Contract, he has no additional claim for damages with regard to the defect. If Goods are damaged or deteriorated by appropriate use when returned, Customer has to pay compensation of value. Customer may inspect the Goods carefully and conscientiously. Loss in value resulting from use that extends inspection and with the further result that Goods cannot be sold as new any more, is to be compensated by Customer.
- If Customer chooses compensation for damages, Goods remain at Customer's unless this is unreasonable. Apart from fraudulence, compensation for damages is limited to the difference between purchase price and value of deficient Goods. Seller is released from liability in case that the state of the deficient Goods had been changed or the Goods had been mixed with different things without our written consent. Seller is entitled to refuse any warranty as long as there has been a delay in payment.

Warranty claims only exist up to the amount of triple costs of foreseeable subsequent improvement - these are stated by Seller's dutiful discretion -, the remaining purchase price is due.

Any warranty claims are statute-barred by 1 year after delivery of Goods. In principle, only Seller's product specification describes the stipulated nature of Goods. Apart from this no public announcement, sales promotion or advertising of Seller counts as specification of quality or condition of Goods. If Customer receives deficient instruction sheet, Seller is only obliged to deliver a faultless instruction sheet. This obligation is valid only if deficiency leads to failures in installation or mounting. Seller does not grant legal guarantees; this does not touch manufacturer's guarantees.

## 8. Limitation of Liability :

Unless otherwise regularized by binding legal provisions, Seller is liable for damages based on negligence or misconduct not in the case of slight negligence, including slight negligence of our executive employees and other assistants and persons employed by us in performance of our obligations. This shall not apply to breaching of a duty which is of the essence of this contract. Customer is also obliged to provide us with any information that might help us in any way to defend ourselves against product liability claims. If Customer breaches this duty, Seller has a claim for damages against him, no matter if the breaching of the duty is based upon negligence or misconduct or not. All contractual warranty claims and compensation claims become statute-barred by 6 months after delivery at the latest in the case of non-shift work (bei einschichtigem Betrieb) and by 3 months at the latest in the case of shift work (bei mehrschichtigem Betrieb) as far as it is proved by Customer that we or our previous supplier caused defects in workmanship or that the material is of minor quality. Customer's claims for compensation regarding deficiencies are statute-barred by 1 year after delivery of goods. This is not effective in case that Seller can be reproached for gross negligence or an imputable neglect of duty that causes illness or bodily or fatal injuries. Any further claims, e.g. compensation of indirect loss or damages, are excluded.

## 9. Data Processing :

Customer knows and acknowledges that Seller stores and processes his personal data we collect in connection with our business relation. He does not receive a separate notice in each particular case.

## 10. Packing :

If Customer can claim that we take back packing, the taking back shall be carried out in the following way:

Customer shall after agreement with us deliver the packing material that comes from us free of carriage to one of our repositories that we designate upon inquiry. He shall give us previous notice and give a declaration of quantity units, size, weight and kind.

## 11. Applicable Law and Jurisdiction:

This contract shall be governed by and construed in accordance only with the laws of the Federal Republic of Germany - in particular to the exclusion of the International Sale of Goods Convention (CISG) and of UN-Commercial Law in total. The Court of Justice for any dispute arising under this contract shall be Hamburg.

## 12. Salvatoric Provisio :

If any part of the contract is or becomes void or inoperable, the effectiveness of the residual provisions remains unlimited. The Customer is obliged to come to an agreement with us which serves the purpose of the void condition as much as possible.