

# General Terms and Conditions of Sale

Transactions with entrepreneurs, legal entities under public law or special funds under public law within the meaning of § 310 Paragraph 1 BGB (German Civil Code) shall be performed exclusively under the following conditions. We shall only acknowledge terms and conditions of the purchaser which conflict with or deviate from our terms and conditions of sale if we expressly agree to their validity in writing. These terms and conditions of sale shall also apply to all future transactions between the contractual parties.

## § 1 Offers

Our offers are subject to change without notice.

## § 2 Orders

Orders placed with us are immediately approved for production. As a result, orders cannot usually be cancelled even if the date of delivery is postponed. We insist on acceptance of the products by the purchaser or compensation in the case of custom-made products.

## § 3 Prices

(1) Prices quoted do not include packaging and shipping. Deviations are subject to special written agreement. The prices are net prices and do not include the applicable sales tax.

(2) Price and service specifications as well as other declarations or assurances are only binding if they have been made or confirmed in writing. Any prices agreed upon shall only apply to the respective order which has been placed.

(3) Unless a fixed price agreement has been made, we reserve the right to make reasonable price changes due to changes in wage, material and distribution costs for deliveries made 3 months or more after conclusion of the contract.

## § 4 Delivery Times or Schedules

(1) Delivery schedules shall be honored wherever possible. Information regarding delivery times is approximate and non-binding. The beginning of the delivery period as specified by us presupposes the timely and proper fulfillment of the purchaser's obligations. We reserve the right to claim breach of contract.

(2) Force majeure and inability to perform on our part or on the part of our suppliers through no fault of our own (e.g. traffic and operational disruptions, strike, shortage of materials, etc.) shall entitle us to postpone delivery or to withdraw from the contract in whole or in part without thereby entitling the customer to any claims. Partial deliveries are permissible.

(3) If the purchaser is late in accepting delivery or culpably violates other obligations to cooperate, we shall be entitled to demand compensation for the damage we incur in this respect, including any additional expenses. We reserve the right to assert further claims. If the above conditions apply, the risk of accidental loss or accidental deterioration of the purchased item shall pass to the purchaser at the point in time at which the customer is in default of acceptance or debtor's delay.

## **§ 5 Payments**

(1) Our invoices are payable in full within 14 days of the invoice date. Discounts may only be deducted with a special written agreement. Only the accounts listed on the front of the invoice are to be paid.

(2) We reserve the right to invoice new customers in advance.

(3) If a due invoice amount is not paid despite repeated reminders, all other outstanding invoice amounts shall also become due for payment and we reserve the right to demand immediate payment, even if the agreed term has not yet expired. The legal default interest and default lump sums shall be added. We reserve the right to claim compensation for damages caused by delay.

(4) We reserve the right to accept bills of exchange, checks, instructions and the like at our own discretion. This acceptance is made only on account of payment. We shall be reimbursed immediately for any discount and collection charges and for interest. We only accept bills of exchange that are accepted by the state central bank.

(5) Offsetting or retention by the purchaser is excluded unless the offsetting or retention claim is undisputed or has been legally established.

(6) We are entitled to refuse to exercise the right of retention by providing security or a guarantee.

(7) If the purchaser discontinues payments, if there is excessive debt or if insolvency or composition proceedings have been filed or if the purchaser is in arrears with the encashment of due bills of exchange or checks, our total claim shall become due immediately. This also applies in the event of any other significant deterioration in the purchaser's economic situation. In these cases, we are entitled to demand sufficient collateral or to withdraw from the contract.

## **§ 6 Shipping**

Delivery is always made at the expense and risk of the customer. Unless we are given special instructions, we will send the goods to the address indicated according to our best judgement and without assuming any liability for the most economical shipment.

## **§ 7 Retention of Ownership**

(1) The goods shall remain our property until all claims owed to us by the purchaser have been satisfied, even if the individual goods have been paid for. Pledging or transfer by way of security of the reserved goods is not permitted.

(2) The purchaser is entitled to resell the reserved goods in normal business transactions. Claims against the customer arising from the resale of the reserved goods are hereby assigned by the purchaser to us in the amount of the final invoice amount agreed with us (including sales tax). This transfer of ownership shall apply irrespective of whether the purchased item has been resold without or after processing. The purchaser is entitled to collect the claim even after the transfer of ownership. This does not affect our authority to collect the claim ourselves. We will however not enforce the claim as long as the purchaser meets the payment obligations from the proceeds received, is not in default of payment and, in the absence of insolvency proceedings or suspension of payments.

(3) The processing and reworking or modification of the purchased item by the purchaser shall always be carried out in our name and on our behalf. In such cases, the expectant right of the purchaser to the object of sale shall continue to apply to the modified object. If the purchased item is processed with other items not belonging to us, we shall acquire co-ownership of the new item in proportion of the objective value of our purchased item to the other processed items at the time of processing. The same shall apply in the event of amalgamation. To the extent that the amalgamation takes place in such a way that the purchaser's item is to be regarded as the main item, it shall be considered agreed that the purchaser assigns co-ownership to us on a pro-rata basis and stores the resulting sole ownership or co-ownership to us. Furthermore, in order to secure our claims against the purchaser, the purchaser assigns such claims to us that accrue to him against a third party through the combination of the reserved goods with a piece of real estate; we hereby accept this assignment.

(4) We commit ourselves to release the securities to which we are entitled at the purchaser's request insofar as their value exceeds the claims to be secured by more than 20%.

### **§ 8 Warranty and notice of defects as well as recourse/ manufacturer's recourse**

(1) The purchaser's warranty rights presuppose that he has properly fulfilled his obligations to inspect the goods and give notice of defects in accordance with § 377 HGB (German Commercial Code).

(2) Claims for defects shall become statute-barred 12 months after delivery of the goods delivered by us to our purchaser unless otherwise agreed. Claims for damages in case of intent and gross negligence as well as in case of injury to life, body and health, which are based on an intentional or negligent breach of duty by the user, shall be subject to the statutory limitation period. Prior to any return of goods, our consent must be obtained.

(3) If, in spite of all the care taken, the delivered goods exhibit a defect which already existed at the time of the transfer of risk, we shall, at our discretion and subject to timely notification of the defect, either repair the goods or deliver replacement goods. We always have to be given the opportunity to remedy the defect within a reasonable period of time. Recourse claims remain unaffected by the above regulation without restriction.

(4) Should the subsequent improvement fail, the purchaser may - notwithstanding any claims for damages - withdraw from the contract or mitigate the remuneration.

(5) Warranty claims do not apply in the case of insignificant deviations from the agreed quality, in the case of insignificant impairment of usability, in the case of natural wear and tear as well as in the case of damage occurring after the transfer of risk as a result of faulty or negligent handling, excessive strain, unsuitable equipment or due to special external influences which are not assumed under the contract. If the purchaser or third parties carry out improper repair work or modifications, no warranty claims shall exist for these and the resulting consequences.

(6) Any claims by the purchaser for expenses incurred for the purpose of subsequent performance, in particular transport, travel, labour and material costs, shall be excluded insofar as such expenses increase because the goods delivered by us were subsequently taken to a location other than the purchaser's branch office, unless such transport corresponds to their intended use.

(7) The purchaser's right of recourse against us is limited to cases where the purchaser has not reached any agreements with his customer that go beyond the legally mandatory claims based on defects. Paragraph 6 also applies mutatis mutandis to the scope of the purchaser's right of recourse against the supplier.

## **§ 9 Other**

(1) This contract and all legal relations between the parties shall be governed by the laws of the Federal Republic of Germany to the exclusion of the UN Convention on Contracts for the International Sale of Goods (CISG).

(2) If not otherwise stated in the order confirmation, the place of performance and exclusive place of jurisdiction for all disputes arising from this contract shall be our place of business.

(3) The Purchaser's right of recourse against us shall only exist to the extent that the Purchaser has not entered into any agreements with its customers which go beyond the legally mandatory claims based on defects.

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