

General Terms and Conditions

§ 1 Validity of terms and conditions

- (1) All supply, obligations and offers of the seller are exclusively governed by the terms and conditions stated herein. Thus, they remain also valid for all future business relationships and shall not be expressly renewed. The terms and conditions stated herein are deemed to have been accepted by the buyer on receipt of the goods or performance at the latest. Counterclaims of the buyer with respect to his terms and conditions are hereby being contradicted.
- (2) Deviations of these terms and conditions shall not be valid until they are confirmed in writing by the seller.

§ 2 Offers and contracts

- (1) Our offers are without obligation. An order shall not be deemed to have been accepted until confirmed in writing or by facsimile by the supplier; until such time as the order has been accepted, the offer shall not be binding upon the supplier. Supplements, amendments and secondary instructions made by wire, telephone or orally shall not be effective unless confirmed in writing by the supplier.
- (2) Drawings, figures, dimensions, net and gross weight and other data are obligatory only to the extent that they were expressly declared to be correct in writing.

§ 3 Prices

- (1) Unless otherwise agreed, prices quoted in the offer are binding for 30 days as of the date of the offer. Prices stated in the confirmation of order by the seller are decisive, plus the respective legal value added tax. Additional delivery and performance are separately charged.
- (2) Unless otherwise agreed, prices are ex-works Talheim, including normal packaging.
- (3) On orders less than 250.-EUR we will have to charge a handling fee of 5%. Each Letter of Credit shall be charged with an appropriate fee. In case we have to witness a document legally by a consulate, the appropriate fee will be charged.

§ 4 Time of delivery and performance

- (1) Unless otherwise agreed by writing, delivery promises made by the supplier are without obligation.
- (2) Only written orders can be worked on. With orders made before 14:30 the supply is the second working day after ordering. Emergencies are excluded from these terms of delivery. In cases of emergency please consider the conditions for express supplies on the current pricelist.
- (3) Even in the case of binding delivery dates and periods, the supplier is not liable for delayed shipment in the event of unforeseen circumstances beyond the suppliers' control or because of events which have an essential impact on the delivery, such as problems in the additional provision of materials, breakdown, strikes, lock-out, lack of personnel, lack of transportation, official orders, etc. - in the works of both the supplier and its subcontractors. The supplier shall be entitled to postpone the delivery or performance for the period of the unforeseen circumstances being, plus an extra time to get started, or to cancel the contract - in parts or totally - with respect to the part of the contract not performed.
- (4) In case the unforeseen circumstances take longer than 3 months, the buyer, after keeping a reasonable extension of the delivery time, is entitled to cancel the contract with respect to the part of the contract not performed.
- (5) In case the seller falls behind with the delivery, the buyer shall be entitled to withdraw from the contract or claim compensation because of non-fulfilment of the contract according to the following regulations.
- (6) The duration of the extension granted legitimately by the buyer shall be 6 weeks, starting with the seller's receipt of the note of the extension of the delivery time.
- (7) The buyer is entitled to claim compensation because of non-fulfilment only in the case of the seller and/or the person helping in the fulfilment has caused the loss intentionally or by gross negligence.
- (8) In case the buyer does not make use of the rights stated above, he is not entitled to claim compensation because of the non-fulfilment of delivery dates.
- (9) Extended liability according to. § 287 BGB, German Law, is not applicable.
- (10) The supplier is entitled to part shipment or performance at any time.

§ 5 Passing of risk

- (1) In compliance with the terms of delivery as agreed, the risk shall pass on to the buyer as soon as the merchandise is turned over to the first carrier or has left the store of the seller for shipment. In case the shipment is not possible through no fault of the seller, the risk passes on to the buyer with the announcement of the readiness of shipment.

§ 6 Disclaimer of warranties

- (1) The supplier's liability for faulty or defective merchandise or parts without the features promised shall be deemed to cover the repair or replacement at its option of all such parts which become unserviceable when given their normal operational life and proper usage or - in case no specific operational life is indicated - within the period of warranty. The buyer or his customers shall have no further claims, more specifically with respect to compensation for damage of any kind following the usage of the merchandise,

including damage to property or otherwise not the subject matter of the contract. Repeated repair or replacement of merchandise by the seller shall be possible.

- (2) The buyer shall notify the supplier immediately, or within one week after receipt of the delivery, of any defective parts. Defects which could not be discovered within this period shall be reported in writing to the seller immediately after detection.
- (3)) In case the seller cannot repair or replace the defective parts by his own fault or has missed the reasonable extension period for delivery of spare parts given by the buyer, the buyer is entitled to cancel the contract.
- (4) The seller is liable for the replaced goods and repaired parts to the same extent as to the original merchandise.
- (5) To the best of his knowledge, the seller shall be at the buyer's disposal with respect to information and advice regarding the usage of his goods. The seller, however, shall be liable only according to the following paragraph in case a special compensation was agreed upon.
- (6) Compensation claims against the seller or the person helping in the fulfilment of the contract resulting from impossibility of performance, non-fulfilment, delay, tort, through fault on completion of the contract, shall only apply in case the seller is guilty of gross negligence.

§ 7 Reservation of proprietary rights

- (1) Until fulfilment of all claims (including balance) of the seller against the buyer and his group arising from all possible legal justifications now and in the future, the seller shall be granted the following guarantees which, on request shall be subject to clearance according to the sellers' choice in so far as the guarantees' value exceeds that of the claims more than 20%.
- (2) The merchandise remains property of the seller. Processing or reconstructions of the merchandise are effected for the seller in his position as manufacturer, but without any liability for him arising from it. On expiry of the (co-) property of the seller, it is agreed that the (co-) property of the buyer with respect to the subject matter of the contract passes to the seller proportionally according to its value (value of account). The buyer shall keep the (co-) property of the seller of the subject matter of the contract without charge. Merchandise, which the seller is entitled to keep (co-) property of, shall be called conditional merchandise in the following paragraphs.
- (3) Unless the buyer has not fallen into arrears with the payment, he shall be entitled to process and sell the conditional merchandise in duly business. Claims arising from sale or another legal act (assurance, tort) with respect to the conditional merchandise shall be fully assigned to the seller by the buyer. The seller shall revocable entitle the buyer to collect on behalf of himself the claim assigned to the seller for his invoice. On request of the seller, the buyer shall disclose the assignment and give him the necessary information and documentation.
- (4) On access of a third person with respect to the conditional merchandise the buyer shall indicate the proprietary rights of the seller and inform him accordingly. Costs and loss shall be carried by the buyer.
- (5) In case the buyer acts contrary to the terms of the contract, especially with respect to arrears, the seller shall be entitled to take back the conditional merchandise at the expense of the buyer or to request assignment of the return claims of the buyer against a third party. In so far as the Law of Instalment Sale does not apply, return or seizure of the conditional merchandise through the seller shall not be considered withdrawal from the contract.

§ 8 Payment

- (1) Unless otherwise agreed, invoices of the seller shall be paid net within 30 days as of the invoice date. Payment day shall be the day the seller can dispose of the money. Despite contrary regulations of the buyer, the seller shall be entitled to determine against which outstanding accounts the payment is credited.
- (2) The seller expressly reserves the right to refuse payment by check or bill of exchange. Acceptance is always effected as payment only. Discount and bill of exchange expenses chargeable to the buyer are immediately due. In case the buyer has fallen into arrears with the payment the seller shall be entitled to charge interests at the rate of that of the commercial banks for open business customer credits - at least at the rate of more than 5% of the respective discount rate of the German Federal Bank (Deutsche Bundesbank) - plus sales tax. Interests are immediately due.
- (3) In case the buyer does not fulfil his payment obligations, particularly in case he does not discharge a check or a bill of exchange or suspends payment or in case the seller gets to know other circumstances calling into question the credit standing of the buyer, the seller shall be entitled to let fall due his total accounts receivables against the buyer, even in case he has accepted checks or bills of exchange. The seller shall also be entitled to request payment in advance or securities or to cancel the contract after a reasonable extension period or to claim compensation because of non-fulfilment of the contract.
- (4) Payments shall be permitted to be retained for, or charged against the purchaser only in case the purchaser has expressly agreed upon that matter or in case counterclaims are indisputable or determined by law.

§ 9 Place of fulfilment and jurisdiction

- (1) Place of fulfilment shall be Talheim/Federal Republic of Germany. For the General terms and conditions set herein and all of the legal transactions between seller and buyer the Law of the Federal Republic of Germany is in force. Application of the standardized international purchasing law is excluded.
- (2) Place of jurisdiction for the settlement of all disputes arising directly or indirectly from the contract shall exclusively be Talheim (Germany).
- (3) The agreement will remain binding even if individual points of these conditions become ineffective.