



General Terms and Conditions for Sales and Delivery

1. Miscellaneous – Scope

- 1.1 Our terms of sale apply exclusively. Any conflicting terms of sale or purchaser terms of sale which deviate from our own terms of sale are expressly rejected unless we expressly agree to their validity in writing.
Our terms of sale also then apply in the event that, being aware of conflicting terms or purchaser terms deviating from our terms of sales, we unconditionally make a delivery to the purchaser without reservation.
- 1.2 All agreements reached between us and the purchaser for the purpose of implementing this agreement are to be recorded in this agreement.
- 1.3 Failure to comply with the terms, notably for instance default of payment, the dishonouring of bills of exchange or cheques on the part of the purchaser also within the framework of other contracts with the supplier, entitles the supplier to suspend implementation of existing orders completely or partially until complete compliance or to withdraw from the contracts without the purchaser being entitled to claim for compensation.
- 1.4 The basis of the contract is the purchaser's assured ability of being able to fulfil all existing commitments towards the supplier including those resulting from this agreement.
If this assurance turns out to be false the supplier is likewise entitled to withdraw from all contracts with the purchaser.

2. Prices

- 2.1 Orders for which no firm prices have been explicitly agreed will be calculated according to current prices on the day of delivery.
The prices only apply to the item described in the sale and on the order confirmation.
- 2.2 The basis of the agreed prices is the cost of materials and labour and all operational expenses.
We reserve the right to alter our prices accordingly if, between placing and delivering an order, or after signing of the contract, cost reductions or increases occur, particularly if due to wage settlements or price rises for materials or energy.
The purchaser is not entitled to withdraw from the contract or withhold payment.
- 2.3 The prices stated should be understood to be prices ex works exclusive of packaging and freight costs plus the respective statutory VAT as well.



- 2.4 After signing of the contract all variations for instance in an agreed foreign currency or an exchange rate based on the Euro that occur are at the expense of the purchaser.

3. Conditions of Payment

- 3.1 The purchase price is due within 10 days from date of invoice. The purchaser is only entitled to set-off rights if his counter claims are legally established, are undisputed or are recognised by us. Also the purchaser is not entitled to right of retention due to disputed counterclaims.
- 3.2 Bills of exchange and cheques are not considered as cash payments. They are only accepted as an exception in lieu of performance. All costs related to these must be borne by the purchaser.
The payment is not considered effected until the cheque or bill of exchange is encashed.
- 3.3 The supplier is entitled to first of all offset payments from the purchaser against prior outstanding monies including interest due and possible claims for reimbursement of costs.
- 3.4 Unless otherwise stated in the confirmation of order the purchase price is due for payment in full without deductions within 10 days from date of invoice. The invoice shall be deemed received on the third day after the date of invoice. In the case of late receipt of the invoice the burden of proof lies with the purchaser.
- 3.5 If the purchaser falls into arrears with his payment obligations, or a cheque or bill of exchange is not honoured, is protested in the case of bills of exchange, or circumstances become apparent which rightly lower the credit worthiness of the purchaser, then all claims from the supplier against the purchaser for outstanding monies are due, irrespective of the specific agreed payment terms.
Furthermore the supplier has the right to withdraw from contracts not yet implemented, suspend outstanding deliveries or carry these out only by advance payment.
On default of payment on the part of the purchaser the supplier may forbid him from reselling goods which are still the property of the supplier and take them back again.
- 3.6 Our invoices are to be paid as respectively indicated on each one. Failure to meet the payment deadline entitles the supplier to calculate interest payable on arrears at the rate of 5% over the respective State Central Bank rate without the need for a specific notice of default.



4. Assignment of Claims

- 4.1 Should the seller assign his claim against the purchaser to a third party then this will be accepted by the purchaser.

5. Delivery

- 5.1 The delivery is carried out at the purchaser's risk even in instances of carriage paid. The supplier is entitled to partial performance.

6. Delivery Period

- 6.1 The details regarding the delivery period are non-binding.

The supplier is entitled to withdraw from the contract wholly or partly if the delivery becomes completely or partially impossible due to a disruption in operations beyond our control, shortage of raw materials, strikes as well as an act of god, including at our suppliers.

The purchaser is only entitled to withdraw from the contract due to non-compliance with an agreed delivery date if he has granted the supplier an appropriate extension by means of registered letter.

An extension of at least six weeks is deemed as being appropriate. After this date has passed the purchaser is entitled to withdraw from the contract.

As a result of a failure to fulfil obligations the purchaser is only entitled to claim compensation for the amount of the foreseeable losses if the delay is due to wilful intent or gross negligence. Incidentally the liability for damages is limited to 50% of the losses incurred.

- 6.2 The limitations of liability as per 6.1 are not valid if a commercial transaction for delivery by a fixed date was agreed. The same is then valid if the purchaser can prove that, due to the delay beyond our control, his interest in implementing the contract has ceased to exist.
- 6.3 Keeping to our delivery commitment assumes the timely and correct fulfilment of the purchaser's obligations.
- 6.4 In the event that the purchaser is in default of acceptance or violates other obligations to cooperate then we are entitled to claim the loss caused to us including possible additional expenses.



In this case the risk of complete destruction or a chance deterioration in quality of the sales item devolves to the purchaser at the time when he falls into default of acceptance.

7. Reservation of Proprietary Rights

- 7.1 The goods remain the property of the seller until full payment of all claims including incidental claims, compensation claims and encashment of cheques and bills of exchange.
- 7.2 The reservation of proprietary rights persists if the seller's individual claims are incorporated into an outstanding invoice and the balance is adjusted and accepted.
- 7.3 If goods subject to retention of title are processed by the purchaser into a new moveable object then the processing occurs without the seller becoming liable herefrom. The new object becomes the property of the seller. The processing, blending or mixing with goods which do not belong to the seller then means that the seller acquires joint ownership of the new object at a ratio of the invoice value of his retained goods to total value.
- 7.4 The purchaser is entitled to resell, process further or install the retained goods only when the subsequent provisions are taken into consideration and only with the proviso that the claims as per paragraph 7.6 also actually devolve to the seller.
- 7.5 The purchaser's authority to sell, process or incorporate retained goods during the proper course of business ends with the seller's revocation of this as a result of an on-going deterioration of the purchaser's financial status, however not later than with his cessation of payment or with an application to or opening of insolvency proceedings or settlement proceedings regarding his assets.
- 7.6
 - a) The purchaser hereby assigns to the seller the claim including all ancillary rights from the selling-on of retained goods – including possible outstanding balance claims.
 - b) If the goods have been processed, blended or mixed and the seller has joint ownership at the amount of his invoice value then he is entitled to claim the purchase price proportionate to the value of his rights to the goods.
 - c) If retained goods are built into a property by the purchaser then the purchaser already assigns the resulting claim for compensation for the amount of the invoice value of the retained goods with all



ancillary rights including such for the granting of an equitable mortgage, and with the rank above all other claims.

If the purchaser has sold the claim in line with old-line factoring then the seller's claim becomes due immediately and the purchaser assigns the superseding claim against the factor to the seller and passes on the sales proceeds to the seller without delay.

The seller accepts this transfer.

- 7.7 As long as he discharges his payment obligations the purchaser is entitled to collect the transferred debt claims. The authorisation to cancel expires on revocation, but no later than on the purchaser's default of payment or on significant deterioration of the purchaser's financial circumstances. In this case the seller is thus empowered by the purchaser to inform the recipients about the transfer and collect the debt claims himself.

The purchaser is obliged to hand over to the seller on request an accurate list of all debt claims owed to the purchaser with names and addresses of the recipients, amount of each debt claim, date of invoice etc. and to give the seller all necessary information regarding the enforcement of the transferred debt claim and to allow verification of this information.

- 7.8 If the invoice value of the existing security for the seller exceeds his total claims including incidental claims (e.g. interest, costs) by more than 20% then the seller is obligated in this respect at the request of the purchaser or of a third party affected by the overcollateralisation of the seller to release securities at the discretion of the seller.
- 7.9 The pledging or assigning of retained goods or assigned claims as security is prohibited. The seller must be immediately informed of seizures stating the name of the lienor.
- 7.10 If the seller, due to the reservation of his proprietary rights, takes back the delivery item(s) then withdrawal from the contract is only existent if the seller expressly states this. The seller can realise the retaken retained goods by selling on the open market.
- 7.11 The purchaser will keep the retained goods safe on the seller's behalf free of charge. He must insure them against the usual risks e.g. fire, theft and water in the customary fashion. The purchaser hereby transfers his compensation claims due to him from insurance companies or others responsible for compensation as a result of damage of the type mentioned above to the seller at the amount of



the invoice value of the goods.

The seller accepts this transfer.

- 7.12 All claims persist, as well as the retention of title laws of all special forms defined in these terms and conditions, until complete release from liabilities which the supplier entered into in the interests of the purchaser.

8. Warranty

- 8.1 The purchaser's warranty rights assume that he has fulfilled his inspection and reprimand obligations covered by §§ 377, 378 HGB.
- 8.2 Claims for defects do not include minor deviations from the agreed quality, minor impairment of usability, natural wear and tear such as damage which, after the transfer of risk, arises as a result of incorrect or negligent handling, unsuitable manufacturing equipment, deficient processing or due to exceptional outside influences which according to the agreement were not presupposed. If the Customer or Third Party improperly makes repairs or changes then claims for defects for these and the consequences arising from these are not included.
- 8.2.1. Furthermore warranty claims against the Seller are excluded if the contract goods are not stored in a cool and dry place.
- 8.2.2. Since the contract goods undergo chemical and physical changes in the course of their processing by the Buyer, there is thus agreement between the parties that the Seller makes no warranty whatsoever with respect to the contract goods already processed by the Buyer.
- 8.3 If, despite all due diligence on our part, the delivered goods manifest a material defect which was already present at the time the risk was transferred then we will at our discretion, subject to due and proper notification of defects, correct the goods to the required standard or supply a replacement. We must have the opportunity to provide supplementary performance within a reasonable period of time.
- 8.4 If the supplementary performance is unsatisfactory then the Customer can, irrespective of any claims for damages, withdraw from the contract or reduce the level of payment.
- 8.5 Unless otherwise specified below, the Customer does not have any further legal claims, irrespective of the legal basis. We are not liable



for damage not caused to the delivery item itself. In particular we are not liable for lost profit or other financial losses of the customer.

- 8.6 The above-mentioned exemption from liability does not apply as far as the causes of the damages were due to deliberate action or gross negligence. They additionally do not apply, according to §444 BGB, if we have provided a guarantee for the composition of an item.
- 8.7 The warranty period is 6 months calculated from passing of the risk. The period is a limitation period and is also valid for the right to compensation from consequential harm caused by a defect in so far as no claims are lodged in tort.
- 8.8 A complaint must be effected in writing within 18 days at the latest after delivery.

9. Invalidity of a Term of the Contract

- 9.1 The invalidity of a term of the contract including one of the general terms and conditions in no way alters the effectiveness of the contract and the terms and conditions.

10. Place of Performance, Place of Jurisdiction, and Governing Laws

- 10.1 The place of performance is Dillenburg.
- 10.2 The place of jurisdiction will be agreed as being Dillenburg. This jurisdiction clause is also valid for legal disputes arising from bills of exchange or cheques which are payable at other locations.
- 10.3 It is agreed between parties that this agreement be covered by German law.
- 10.4 In accordance with §28 of the federal data protection legislation we hereby inform you that your data will be stored electronically.

Date: 07th August 2013

IMPORTANT: This text has been translated for you as a courtesy. In the event of any translation discrepancies the original German version will take precedence.