

General Terms and Conditions of Payment and Supply

1. General Information

Goods and services are supplied only in accordance with the following terms and conditions. This also applies to any future business transactions of a similar nature, even if no specific reference to the terms and conditions is made in these instances. We hereby expressly state that we do not accept our contractual partner's - hereinafter referred to as the buyer - terms and conditions of purchasing or other general terms and conditions or consider them legally binding, even if we have not voiced our express objection to said terms and conditions of purchasing or other general terms and conditions on entering into a contract.

2. Offers / Conclusion of Contract

- a) Our offers are non-binding and subject to change.
b) Any amendments or supplements to the agreements entered into, including these general terms and conditions of payment and supply, must be in writing in order to be valid.
Only company directors or employees who have been granted the authority to act on behalf of the company directors have the right to make oral agreements.
Faxed transmission shall be deemed sufficient to satisfy the requirement for the written form.

3. Prices / Dispatch / Passing of Risk

- a) Unless agreed otherwise, prices are quoted in euros, ex works and excluding packaging, statutory value added tax and, in the case of export shipments, excluding the applicable customs and excise duties and charges.
b) The place of fulfilment of all contractual obligations is our place of business. The buyer may request the goods to be sent to a different shipping destination. The shipping method, type of delivery and packaging type are to be decided by ourselves subject to our statutory discretion.
c) The transport risk is always borne by the buyer, passing to him at the latest when the item to be delivered is handed over to the carrier, forwarding agent or any other third party charged with delivery. This also applies when we have agreed to extend our services, for example and in particular when we have agreed to meet shipping or delivery costs.

4. Delivery / Delivery Time

- a) The stated delivery times are always approximate, unless a fixed date for delivery has been expressly agreed. The delivery time begins under the assumption that any technical issues have at that point been resolved. Fulfilment of our obligation to supply further assumes that the buyer has fulfilled his obligations in due time and good order. If dispatch has been agreed, the delivery times and dates referred to will be those of handover of goods to the carrier, forwarding agent or any other third party charged with shipping or delivery.
b) Should we not be able to keep to the agreed delivery times for reasons beyond our control (unavailability of service), we will inform the buyer of this circumstance immediately. At the same time, we will also inform him of the revised expected delivery date. Should the service continue to be unavailable on this revised delivery date, we shall be entitled to withdraw from the contract, either in part or in full; we will furthermore immediately refund any considerations already received from the buyer. Unavailability of the service in this context is deemed to be, in particular, failure by our own suppliers to deliver on time in cases where we have arranged adequate supplier failure cover. This does not affect the statutory provisions concerning the handling of the contract in the case of an exemption from an obligation to perform (e. g. performance of contractual obligations and/or supplementary performance of contractual obligations deemed to be impossible or unreasonable). The right to withdraw from the contract and the right to terminate it, see item 5 of these terms and conditions, also remain unaffected.
c) Should there be a delay in delivery or performance on our part, or should delivery of goods and services or performance be deemed to be impossible, regardless of the reason for this, our liability for compensation for damages is limited, as stipulated in item 6 of these terms and conditions.

5. Warranty

- a) The statutory provisions apply to the buyers rights in cases of faulty material or defect in title (including short delivery and wrong delivery), unless determined otherwise in the following. In all cases, the statutory special provisions regarding end delivery of goods to a consumer (consumer redress pursuant to Sections 478 & 479 of the German Civil Code) remain unaffected.
b) The buyer's right to compensation for damages assumes that the buyer has duly inspected the goods and adhered to the stipulated complaints procedure (pursuant to §§ 377, 381 of the German Code of Commercial Law). Should this inspection reveal any defects or should such defects be revealed at a later point, we must be informed of this circumstance in writing and immediately. Any such notification is deemed to be immediate if it is made within seven working days of receipt of goods at the latest. The buyer must, their obligation to inspect the goods and file a complaint notwithstanding, notify us in writing of any obvious defects (including incorrect and short delivery), at the latest within seven days of delivery. We are not liable for defects we have not been notified of if the buyer neglects to perform the statutory inspection on receipt of goods and/or neglects to notify us of said defects in due time.
c) The buyer has a right to supplementary performance if the goods reveal a defect at the time of the passing of the risk, this will consist of either remedying the defect or replacing the defective item, at our discretion.
d) Slight variances in texture and condition or slight impairments to usability do not constitute a valid reason for compensation. Equally, the warranty does not extend to: damages caused by abuse or misuse of goods, faulty assembly or operation on the part of the buyer or third parties, fair wear and tear, damages caused by carelessness or incorrect use and improper maintenance. The right to compensation for damages does not extend to goods which have been incorrectly or improperly repaired or altered by the buyer or any third party, or to said repairs and alterations, providing the statutory conditions have been met.
e) If subsequent delivery is not successful, the buyer is entitled to withdraw from the contract, or to reduce the purchase price. Further or other claims of the buyer against the supplier and his vicarious agents due to a material defect are excluded, excepting item no.6 of these terms and conditions.
f) Claims by the buyer regarding additional expenses necessitated by subsequent supplementary performance, in particular charges for transport, travel and labour and material costs, are excluded if these costs increase due to subsequent redelivery of the ordered item to a delivery address other than the buyer's registered address, unless this transfer is equivalent to ordinary use.
g) The buyer has a statutory right of recourse against the supplier only providing he has not entered into any agreements with his customer over and above the statutory right of recourse. Accordingly, the extent of the buyer's right to recourse against the supplier is also covered by item 5 f).

6. Entitlement to Compensation for Damages

- a) Unless these general terms and conditions of payment and supply, including the following stipulations, provide otherwise, we assume liability in the event of breach of contract and non-fulfilment of extra contractual obligations in accordance with the relevant statutory provisions.
b) We assume liability for damages - regardless of the legal basis - in the event of wilful intent and gross negligence. We are liable in the event of simple negligence only for:
• Damages resulting from endangerment of life, body or health,
• Damages resulting from significant breaches of contract (obligations without which the proper fulfilment of contract would be impossible and which the contractual partner in the due course of regular business trusts us to fulfil and is entitled to trust us to fulfil); in this case, however, our liability is limited to damages of a foreseeable, typical nature.
c) The limitations to liability resulting from item 6 b) do not apply if we fraudulently conceal a defect or have agreed to guarantee the properties and condition of the goods. The same applies to claims on the part of the buyer under the German Product Liability Act.
d) The aforementioned exceptions and limitations to liability are applicable to the same extent in favour of our corporate bodies, legal representatives, employees and any other vicarious agents we may employ.

7. Statute of Limitations

- a) Notwithstanding § 438 I No. 3 of the German Civil Code, the general period of limitation for claims resulting from material defects and defects of title is one year from delivery of item.
b) The aforementioned period of limitation as per German law of sale also applies to a buyer's contractual and extra contractual claims for damages in relation to a defect in the goods. In any case, the period of limitation set out in the German Product Liability Act remains unaffected. In other respects, only the statutory periods of limitation are applicable to damages claims by the buyer under item no. 6 of these terms and conditions

8. Retention of Title

- a) Legal title to all goods supplied by us (goods subject to reservation of title) shall not pass to the buyer until such time as the goods have been paid for in full, and until such time as all accounts receivable resulting from this business relationship, including those resulting from contracts entered into at a later date, have been settled.
b) The buyer is entitled to resell the goods in the due course of business, providing prompt fulfilment of the buyer's obligations towards us, i.e. his account shows no arrears or cessation of payment. In detail, the following applies:
• The buyer hereby assigns all accounts receivable from the resale or any other sales transactions, for example service contracts, including all secondary rights, to us, also proportionally insofar as the goods are processed, blended or mixed and we are thus entitled to part-ownership of the goods up to the invoice amount owed to us, or the goods have been permanently installed. Should the buyer resell the goods which are subject to our reservation of title together with other goods not supplied by us, the buyer hereby assigns a prime share in the receivables from the resale to the value of the total amount due for the goods supplied subject to reservation of title to us. Should the buyer proceed to sell the account receivable during the course of a true factoring sale, he hereby agrees to assign the account receivable from the factor to us. Should the account receivable from a resale lead to said sum becoming an open item on the buyer's customer's account, the buyer hereby agrees to assign this account receivable, up to the value of the accounts receivable for the goods sold subject to our reservation of title, to us.
• We hereby agree to accept assignments of this nature as outlined above.
• The buyer is entitled to resell the goods only if he also reserves his title to the goods until he has received the full payment from the resale.
• The buyer is entitled to recover the accounts receivable assigned to us until such time as he is informed of our revocation. The authorisation to collect these debts on our behalf ceases to be valid and will be revoked, with immediate effect, if the buyer does not pay promptly or ceases to pay. In that case we are authorised by the buyer to inform his customer of the assignment, and to collect the account receivable ourselves. Upon request, the buyer is legally obliged to provide a detailed list of his debtors, including name and address, amount of each account receivable, date of invoice etc.; to furnish us with all information required to assert our claims to the assigned debts; and to permit verification of this information.
• Monies received by the buyer pertaining to the debts assigned to us must be kept separately prior to transfer to our account.

- Goods which are subject to reservation of title or assigned accounts receivable for goods which are subject to reservation of title may not be pledged as collateral or offered as security. In the event of seizure, we must be informed immediately, and be given the creditor's particulars.
- Should the value of the securities we are entitled to exceed the amount owing to us by 10% or more, we are legally obliged to release these if requested to do so by the buyer.
- Late payment or cessation of payment on the part of the buyer entitles us to take the goods sold to him subject to reservation of title back. Taking goods sold subject to reservation of title back under the retention clause only constitutes a withdrawal from contract if we expressly state this to be the case. A return of goods sold subject to reservation of title may at our discretion be regarded as satisfactory settlement.
- The buyer stores the goods sold to him subject to reservation of title on our behalf free of charge. He must insure said goods against the usual risks like fire, theft and flood to the usual extent. The buyer herewith assigns any claims for compensation arising from damages of the aforementioned nature against insurance companies, or any other party legally obliged to compensate him for damages, to us, up to the value of our accounts receivable. We agree to accept assignments of this nature.

9. Payment / Exclusion of Set-off / Right to Retain Goods

- Unless agreed otherwise, our invoices are payable within 8 days, less 2% cash discount, or within 30 days without deductions. Cheques will be treated as payment on account. Invoices paid by cheque shall be considered settled in full, only after the cheque has cleared.
- Late payment on the part of the buyer attracts 12% interest on arrears, at the least, however, interest will be charged at the statutory interest rate. In as far as the buyer deems the interest charged as per clause 1 to be above the statutory interest rate, he is free to prove that no damage has been caused by his late payment, or that the value of the damages caused by his late payment is lower than the amount charged by us. A counter-claim for higher damages caused by his late payment is not excluded.
- All accounts receivable become due for immediate payment if the buyer falls into payment arrears.
- Should the buyer's financial circumstances deteriorate significantly to such an extent that the risk of non-payment of any monies due to us appears likely, we are entitled to demand advance payment or reasonable sureties. This also applies if we were not aware of the said circumstances prior to entering into contract, and gain knowledge of said circumstances only after agreeing to the contract. Should the advance payment or surety not be forthcoming, in spite of a reminder and the setting of a reasonable period of grace, we shall be entitled to withdraw from the contract, or to demand compensation for failure to fulfil obligations.
- The buyer is not permitted to set-off debts against any counterclaims unless these counterclaims result from the same contractual relationship or the counterclaims are undisputed or have been legally established.

10. Place of Performance / Jurisdiction

- Place of performance is our registered office and place of business
- Place of jurisdiction for both contracting parties is Hersbruck

11. Applicable Law

The contractual relationship between ourselves and the buyer is determined by German law under exclusion of the United Nations Convention on Contracts for the International Sale of Goods (CISG)

As at: 05/10