

## § 1 General, scope of application

1. Our general conditions of sale apply to all current and future commercial relationships.
2. Delivery of goods and services on our part occur exclusively on the basis of the General Conditions below.
3. General business conditions that may deviate from, contradict or supplement these conditions, even if known, will not be considered part of the contract, unless we have agreed to their application explicitly in writing.

## § 2 Contract conclusion, commitment period

1. Our offers are without obligation. By submitting an order for a product, the client declares a commitment to purchase the product ordered. The client is bound to this order for 2 weeks after our receipt of the order. We are entitled to accept the contractual offer in the order during this time period. Acceptance can be stated either in writing (maintaining text format) or by delivery of the product to the customer.
2. Secondary agreements and contract modifications must be in text format. This requirement may only be waived in writing.

## § 3 Price

1. The purchase price is the price we have stated, or, if not individually stated, the price included in our price list applicable at the time the order is placed. The price is to be considered ex-works and is exclusive of legally applicable value added tax.

2. In the event that a period of more than 4 months elapses between contract conclusion and the actual delivery of the product then the following applies: if, prior to delivery, cost changes arise, such as increases in tax and duties, higher freight costs, higher salary and/or materials costs or exchange rate fluctuations (foreign exchange), that adversely affect us with regard to the delivery in question, then we are entitled to adjust prices accordingly.
3. Discounts on our basic prices apply only if individually agreed and are not binding for all products, nor for future orders.

## § 4 Payment, settlement

1. Unless otherwise agreed in writing, payment is to be made 30 days from the invoice date without discount. The client will bear all related bank transfer costs. Repayment of discounts deducted without justification will be demanded subsequently.
2. We are entitled to request partial payment and to provide goods and services only against cash advances.
3. In the event that the client is in arrears, we are entitled to apply interest on arrears in the amount of 8% above the base rate. We reserve the right to apply higher damages.
4. We are entitled to request payment of dunning fees in the amount of € 10.00 per dunning notice.
5. In the event that subsequent to the conclusion of a contract, the client's financial situation is seen to deteriorate significantly, jeopardizing our claim to

payment, then, in case a previous performance obligation exists, we can refuse performance until such time as payment has been effected or security for such payment has been obtained. In the event that, after an appropriate time period stipulated by us has expired, the client is not prepared to pay progressively or to provide security, we are entitled to rescind the contract.

6. Off-setting with counterclaims on the part of the client is only permitted in such cases and to the extent that we have recognized such counterclaims exist and are due for payment or their justification has been legally established.
7. The client is only entitled to exercise a retention right in the event that and to the extent that his counterclaim relates to a transaction under the same contract.

## § 5 Delivery terms and deadlines, partial deliveries

1. Delivery deadlines are only legally binding if they have been explicitly confirmed as binding in our order confirmation.
2. Delivery terms agreed to in writing begin with the day of our confirmation of the order, not, however, prior to clarification of all technical and commercial details or prior to the receipt of any advance payments agreed, nor prior to unambiguous clarification of all order details and submission of any certifications and/or authorizations that may be required. Any changes requested by the customer

- during the delivery term with respect to the execution of the delivery of or the delivery object itself may impede the expiration of the term and will extend the delivery terms correspondingly.
- The delivery terms are considered to be met, providing that the goods have left the supplying plant by the end of the delivery term or the client has received notification that the goods are ready for shipment.
  - The delivery term will be extended – even during a delivery delay – correspondingly in the event of the occurrence of unforeseen hindrances. The occurrence of unforeseen events, force majeure and non-delivery on the part of our suppliers for which we bear no responsibility entitle us to postpone the delivery for the term of the hindrance and an appropriate start-up time. This also applies in the case of a strike and lock-out.
  - In the event that our delivery is delayed, the client is entitled to stipulate an appropriate extension in writing. In the event that we do not ship the delivery object during this extension period, then the client is entitled to rescind those portions of the contract that were not averted upon expiration of the extension. Only in the event that partial performance already rendered is of no interest to the client, is he entitled to rescind the entire contract.
  - In the event that the client suffers damages arising from a delay for which we bear responsibility, then our obligation for replacement is limited according to the stipulation in § 11.
- Partial deliveries are permissible. These may be invoiced separately.
- ## § 6 Acceptance of the delivery object
- In the event that the client refuses to take delivery after expiration of the appropriate extension period stipulated or explicitly states that he will not take delivery, we may rescind the contract and seek damage compensation. A flat 25% of the gross order amount may be requested in compensation for damages. The client would be required to prove that we incurred no or substantially lower damages. In the event that extraordinarily high damages have been incurred, we are entitled to request compensation in this amount rather than the flat rate for damages.
  - In the event that the requirements of number 1 paragraph 1 apply and we do not rescind a contract, we are entitled to request compensation appropriate to the location for storing the product.
- ## § 7 Place of performance, transfer of risk
- The place of performance with respect to our delivery obligation is the plant which is to provide the delivery according to the contractual agreement. Shipment of the delivery object is at the request of the client. Selection of shipping route and method is, provided not agreed otherwise, at our discretion.
  - Shipment of the product is at the client's risk. The risk is transferred to the
- client at the time the object is delivered to the forwarder, transporter or other entity selected to perform the shipment. In the event that dispatch is delayed due to the client, then risk is transferred to the client at the time of notification of readiness for shipping. In the event that the goods are to be stored after the risk has been transferred, then the client is to pay storage costs appropriate to the location. Once an appropriate period has elapsed fruitlessly we are entitled to dispose of the goods otherwise and to deliver to the buyer in a correspondingly extended term.
  - If in individual cases the contractual agreement states delivery to be free to house/warehouse of the client, the following applies: the risk is transferred to the buyer, even in the case of partial deliveries, the moment the goods have arrived in his business/ warehouse ready for unloading. Unloading is to occur immediately and properly by employees and unloading equipment to be provided by the client in sufficient quantity. Wait times will be charged by us according to industry custom. In the event that the arrival to the place of destination fails for reasons that are in the risk domain of the buyer, then the risk transfers to the buyer at the time that the arrival fails. This also applies in the case of unjustified refusal to take delivery on the part of the buyer.

## § 8 Retention of title, extended retention of title

1. Goods delivered remain our property until all payments from the current business relationship have been received.
2. In the event that the client's behaviour is in contravention of the contract, in particular with respect to payment delays, then we are entitled to take back the goods delivered. Taking back delivered goods does not constitute an abrogation of the contract, unless this has been explicitly stated in writing. After taking back the goods, we are entitled to dispose them, with proceeds of such disposal to be credited against the client's liabilities – with appropriate costs of the disposal deducted.
3. The client is entitled to resell goods delivered in the ordinary course of business; he, however, already at this stage assigns to us any receivables that may arise from a resale to his customers or third parties. We hereby accept this assignment. The assignment occurs whether the goods delivered are resold with or without additional processing. The client is authorized to collect the assigned receivables even after such assignment. Our authority to collect the receivables ourselves remains unaffected.
4. In the event that the client cannot meet his payment obligations, should he fall into arrears, should an application to open insolvency proceedings against his assets be initiated or should he suspend payments, the client is obligated to make known immediately upon our request the assigned receivables and the debtors concerned, to provide all information required for their collection, to submit all

relevant documentation and to inform the debtor about the assignment.

5. In the event of attachments or other interventions by third parties the client is required to inform us immediately in writing, in order to enable us to exercise our rights.
6. We agree to release the securities to which we are entitled upon request of the client in the event that the realizable value of such securities exceeds the receivables to be secured by more than 20%. The choice of securities to be released is ours.
7. Tooling and processing of goods acquired from us by a client always occur in our name and on our order. In the event that processing is undertaken with objects that do not belong to us, we acquire co-proprietorship in the new object in the ratio of the value of goods supplied by us to the other objects processed. This also applies when the product is mixed with other objects not belonging to us.

## § 9 Samples / specimens

Samples and specimens are samples for viewing without obligation. In the event of a purchase based on samples and/or specimens the right to deviations in the final product as customary in the industry or part of the normal manufacturing process is retained. The supply of samples or specimens does not provide a guarantee of composition or durability, unless this is specifically stipulated in the order confirmation. Samples and specimens must be returned to us within at most four weeks in impeccable condition. In the event that they

are not returned within this time period, we are entitled to invoice the sample according to the purchase price included in the price list. Price lists may be requested from us at any time.

## §10 Guarantee, client complaints

1. The client is required to examine the object delivered immediately after receipt with the maximum care possible under the circumstances and to submit a complaint in writing immediately upon detecting any defects. In the event that an undetectable defect is later revealed, this should be communicated immediately upon discovery in writing. If the client does not submit the complaint, the delivery is considered approved and the enforcement of guarantee claims is then ruled out. The full burden of proof for all prerequisites of a claim, particularly for the defect itself, for the time at which the defect was detected and the promptness of the complaint lies with the client.
2. In the first place, we guarantee that, at our option, defects will either be remedied or a replacement delivery will be sent. The opportunity to reject both types of subsequent performance fulfilment, if the prerequisites exist as defined in § 439 Subsection 3 German Civil Code, remains unaffected.
3. In the event that subsequent performance fulfilment fails despite two subsequent attempts at improvement, or we refuse subsequent performance

- or it is unacceptable to the client, then the client may in principle elect to decrease compensation (reduction) or request annulment of the contract (rescission). In the event of minor deviations from contractual stipulations, in particular minor defects, the client is not entitled to rescission rights.
4. Defects in partial deliveries do not entitle the client to an annulment of the contract in its entirety or of other orders issued, but not yet filled.
5. In the event that the client elects to rescind the contract due to a legal or material defect after subsequent performance fulfilment has failed, he has no claim for damage compensation arising from the defect.
- In the event that the client elects damage compensation after subsequent performance fulfilment has failed, the product remains with the client providing this is acceptable to him. Damage compensation will be limited to the difference between the purchase price and the value of the goods. This does not apply in the event that we have caused the breach of contract in bad faith or with intent.
- In all other cases, the regulations of § 11 apply accordingly to claims for damage compensation, particularly those concerning the limitation of the exemptions from liability as referred to in § 11 Subsection 2 (4).
6. A return of goods required in the event of a defect may only occur subject to our prior agreement and to the use of a shipping route stipulated by us. We do not have to accept returns effected without our prior consent. In such case the client will bear the costs of the return

7. In principle only the manufacturer's product description as agreed will apply with regard to product composition. Public statements, praise or advertising on the part of the manufacturer do not represent contractual composition information. We will accept responsibility for public statements, in particular advertising, only if we have occasioned them ourselves.
8. An assessment obligation for advertising statements exists moreover only in the event that the advertisement has actually influenced the client's purchasing decision. The client bears the burden of proof in this respect. The client does not obtain legal guarantees from us unless there is explicit agreement specifying otherwise. Reference to standards and other legal product information is intended as a description of goods and does not represent a guarantee.
9. The guarantee period is one year from product delivery.
10. Claims which are based on recourse against the manufacturer in accordance with § 478 German Civil Code are not affected by the preceding regulations. However the preceding regulations apply to claims for damage compensation within the context of recourse against the manufacturer.

## §11 Liability regulations

1. We are not liable for improper or inappropriate use, in particular excessive stress, defective assembly or faulty use on the part of the purchaser or third parties, normal wear and tear or faulty or negligent handling or manipulation, particularly by untrained staff.

2. The following limitations on liability apply and this includes breaches of obligations by our legal representatives or vicarious agents:
- (1) The client bears the burden of proof that we are in breach of our obligations and that we are responsible for this.
- (2) We are not liable for breaches of insignificant contractual obligations caused by minor negligence.
- Moreover, our liability in the case of breaches of obligation based on minor negligence is limited to the foreseeable, contract-typical damage according to the product type. In such instances, we are also not liable for lost profits or other financial damages.
- (3) In the event of normal negligence, where we are in breach of insignificant contractual obligations, we are liable according to the extent but liability is restricted to the foreseeable, contract-typical damage according to the product type. In such cases we are not liable for lost profits or other financial damages.

In other cases of breaches of obligations based on normal negligence, the regulations governing limitations on liability, as contained in this subsection, apply accordingly.

- (4) Exemptions from liability, as mentioned above, do not apply
- if an exclusion or a limitation of liability is agreed for damages ensuing from injury to life,

body or health which are based on a culpable breach of obligation by us, our legal representative or one of our vicarious agents;

- if an exclusion or a limitation of liability is agreed for other damages which are based on an intentional or grossly negligent breach of obligation by us, one of our legal representatives or one of our vicarious agents
  - in cases where, according to the product liability law, we are held liable for personal damage or material damage to privately used items if there are defects in the delivered item
  - if a guarantee is granted or a quality is warranted and a defect covered by such a guarantee or warranty gives rise to liability.
3. The clients right to damage compensation claims due to defect applies for one year after delivery of the goods.

## § 12 Information / consulting

Information and consulting with respect to our products are based on our previous

experience. Values indicated as part of this process, in particular

information related to performance, are calculated range values. Suitability tests of goods delivered and the observance of processing regulations should not be waived on account of Information and consulting. Oral information is without obligation. §11 of these conditions apply with respect to liability.

## § 13 Repairs

- 1 In the event that submission of a cost estimate is required prior to execution of repairs, this should be explicitly indicated. Costs for the estimate are to be reimbursed.
2. It is within our discretion whether a repair is to take place in our own or a third-party repair shop. Costs for shipping and packaging are to be borne by the client/ purchaser.
3. Stipulations in §§ 10 und 11 apply accordingly with respect to our liability and guarantee claims in the event of repairs, however, only for parts that are replaced.

## § 14 Place of performance, place of jurisdiction, applicable law and partial ineffectiveness

1. Sexau is the place of performance for obligations of either party.
2. Sole place of jurisdiction for all disputes in the case of commercial entities is Freiburg, Germany. We are, however, entitled to take legal action against the purchaser at his legal place of jurisdiction.
3. German law will apply exclusively with the exception of regulations apply to private international law. Use of UN commercial contract law (CISG) is excluded.
4. In the event that one or more stipulations of these general business conditions is found to be ineffective now or in future, the effectiveness of the remaining conditions will remain unaffected. The stipulation that is found to be partially or wholly ineffective should be replaced by a stipulation that most closely approximates the commercial result of the ineffective one.

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