

Terms of Sales and Shipping

I. General Regulations

- 1.) Agreements, particularly any amended conditions, are binding only after our written confirmation.
- 2.) All of our orders, as well as future ones, including suggestions, consultation, and additional services are governed exclusively according to these terms. Purchasing conditions of the customer are hereby repudiated.
- 3.) We reserve the right to fulfill our contractual obligations through subsidiaries or holding companies.

II. Orders and their Acceptance

- 1.) All orders directly from the purchaser or from one of our field representatives require the acceptance of a written order confirmation, since this concerns a cash business.
- 2.) Price lists in our brochures, catalogs, circulars, and advertisements as well as information contained in offer documents such as designs, illustrations, technical data, weight, measurements, and operations specifications are nonbinding, as long as they are not noted as binding in our order confirmation.
- 3.) Deviations in the order regarding goods ordered or supplied, particularly regarding material and execution, remain expressly reserved in the event of technical progress.

III. Shipping Date and Shipping Delays

- 1.) Should a shipping date be agreed upon or found necessary the following applies: Shipping dates determined by the supplier are nonbinding, unless it was supplied by us in writing as a "binding shipping date." In this case the shipping term begins with the date of order confirmation and only under the simultaneous fulfillment of all the obligations of the purchaser e.g. providing the necessary official certificates, opening a credit account, or providing a pre-payment.
- 2.) The agreed upon delivery times refer to the date of shipping from the supplier and apply after receipt of a notice confirming that the shipping date is to be kept, or if, for reasons beyond our control, the goods cannot be shipped in time.
- 3.) Supply by us is enacted under the condition of self supply. We will report to the purchaser immediately if self supply is not possible. If self supply cannot take place, the sales contract is not considered closed. A procurement risk on behalf of the supplier does not exist.
- 4.) In all other respects, the purchaser is entitled to further rights only in the case that we cause a delay of over three weeks after inquiry from the purchaser.
- 5.) Should we be unable to ship goods on time or at all due to late or delayed shipment from our distributors, we are obligated, under the exclusion of further liability, to relinquish our obligations due to failure to deliver or inability to supply goods.
- 6.) In all cases of cancellation this extends only to the portion of the contract not yet fulfilled, in accordance with managing regulations. In the case of partial deliveries that are unusable by the purchaser, he is also entitled to the refusal of these particular deliveries.

IV. Shipping, Risk Provisions

- 1.) In the absence of a specific agreement, packing, shipping, and transportation are left to our discretion.
- 2.) After delivering to a shipping company or carrier, once it leaves the factory, all risk is assumed by the purchaser. The purchaser also assumes risk at time of shipping even if free shipping was agreed upon.
- 3.) Risk is assumed by the purchaser after a report is made regarding possibility for shipping or pickup in the case of a delay in shipping caused by circumstances beyond our control. The purchaser is responsible for costs that arise from a shipping delay, particularly storage costs.
- 4.) We reserve the right to make partial shipments.
- 5.) We are not obligated to insure a shipment against shipping damage or allow it to be so insured without a written agreement from us.

V. Terms of Payment

- 1.) The terms of payment result from the confirmation of order and/or bill. All bills are to be paid net cash. A discount or deduction requires prior written agreement.
- 2.) Exchanges are accepted with payment only with a previous written agreement. We calculate discount expenses, regardless of time of exchange acceptance, from the date of maturity of the charge. We make no guarantee for punctual collection or litigation.
If exchanges and cheques are not credited in the allotted time, all outstanding expenses from the purchaser are considered due. Otherwise existing payment dates lapse. The same applies if a charge is not paid on time.
- 3.) After a notice is given, an interest rate of 8% above the current standard base rate of the German national bank will be applied to an invoice amount for late payment. We reserve the right to assess further charges. The purchaser may offer proof of lesser damages. The same also applies, when we grant the purchaser pending payments.
- 4.) In the case of a justified doubt about the solvency or credit-worthiness of a purchaser, which points to a substantial degradation of financial position, we are entitled to make outstanding deliveries based only on prior payment and insurance. Outstanding invoices from previous completed shipments from the same legal transaction entitle us to immediate payment in full and likewise up to the full payment for retention of pending shipments. If the purchaser cannot meet his payment responsibilities or insurance costs, we have the right, after setting up a grace period, to rescind the contract and assess payment of damages equaling 20% of the total order value for the shipment that will no longer be made.
- 5.) Holding of payment or balancing of accounts due to counterclaims by the purchaser is not permissible, except when demands are undisputed or legally justified.
- 6.) Price calculations are computed from our home office in EURO.

VI. Liability for Defects

- 1.) It is the responsibility of the purchaser to inspect shipped goods and immediately report defects in writing no later than the next working day after delivery. We do not recognize defects that are reported late, that is those that were claimed after the previous standing obligation, as they are excluded from our guarantee. We recognize notices of defect only if they are provided in writing. Complaints which are made against field representatives, carriers or any other third party representative are invalid, regardless of adherence to form and punctuality.
- 2.) Goods may only be returned to us with prior written agreement. We are not obligated to accept returns offered without our prior consent. In this case, the purchaser is responsible for return shipping costs.
- 3.) If a defect requires repair or a replacement shipment, our corresponding delivery time policies apply.
- 4.) The presence of an established defect, that was communicated in the proper manner entitles the purchaser to the following rights:
 - a) The buyer has a right in the case of defect to request fulfillment from us. We reserve the right to use our discretion to ascertain whether a new supply of a good or a repair is required.
 - b) Beyond that we have the right to exercise our choice in making a new replacement shipment after a failed attempt at replacement. Only after the second delivery attempt fails, is the purchaser entitled to rescind the contract or ask for a discount in price.
- 5.) The purchaser can assess damages or damage for futile expenditures only in the cases of gross negligence or intentional default on the obligation to provide replacement shipment. He must also prove the damages and their extent. The same applies for futile expenditures.
- 6.) The guarantee period for new and used goods is one year from the date of shipment. The purchaser must prove in each case that the defect was present prior to shipment.

VII. Retention of Title

- 1.) All supplied goods remain our property until the complete payment of purchase price and any other costs that may arise from the business relationship (extended retention of title). One further order beyond the normal goods, as determined by retention of title, is permitted only in the buyer's regular course of business. Under no case, however, may possession be transferred to the care of a third party during the course of business traffic.
- 2.) In the case of a sale through the regular course of business, the purchase price is transferred over in place of the commodity. The purchaser immediately relinquishes all demand, developing from any sale, on us. We accept this transfer immediately. The purchaser is entitled to close this transaction after his liabilities to us are paid. Under the terms of an extended retention of title (transfer of the respective purchase price), transfer of goods to a third party, in particular a credit institution, is contrary to the terms of agreement and, therefore, impermissible. We are entitled to examine the seller's sales documents at any time, and to inform his customer of the transfer.

- 3.) If the demand of the resale buyer is taken up by an open account, then the purchaser must hereby surrender all demand from the open account of his customer to us. We also accept this transfer immediately. The transfer takes place in the amount that we had calculated for the purchaser for further disposal of reserve quantities of goods.
- 4.) In the case of a seizure of goods from the purchaser, we are to be informed immediately by transmission of transcript of compulsory foreclosure and a sworn statement stating that the seized goods supplied by us are still subject to retention of title.
- 5.) In accordance with governing regulations, if the value of collateral exceeds the amount of the bill, the buyer is entitled to the release an equivalent amount of the hereby secured open demands, if there is a discrepancy of at least 20%.
- 6.) Asserting our rights of title retention does not relieve the purchaser of his contractual obligations. The value of goods at the time of recovery will only be charged to the existing demands on the purchaser.

VIII. General Non-liability

The following applies in the case of neglecting our obligations regardless of any agreement made about a guarantee as well as any special requirements resulting from any such agreement:

- 1.) The purchaser must grant us a period of no less than three weeks correct any failure to perform. Only after the period to remove neglect of obligation has expired may the purchaser rescind their contract and/or require payment of damages.
- 2.) The purchaser may only validly claim compensation in the case of our gross negligence or intentional neglect of obligation. Compensation in lieu of shipment (in the case of non-performance § 280 III i.V.m. in conjunction with) § 281 BGB) as well as damages from shipping delays (§ 280 II i. V. m. § 286 BGB) is limited by the negative interest. Payment of damages for not shipping or not shipping as obligated (§ 282 BGB) are limited to the purchase price of goods. Payment of damages instead of shipping, with exception of the obligation to deliver, (impossibility) is not possible.
- 3.) Cancellation of a contract is not possible should the purchaser be solely or predominantly responsible for circumstances that would entitle him to a resignation or if the failure of the purchaser to receive delivery results in a circumstance entitling him to resign.

IX. Exclusion of Exercise Risk and Warranties

We accept absolutely no procurement risk as well as any type of warranty without a signed, written agreement from the purchaser.

X. Supplier's Cancellation Rights

We are allowed to resign from a contract for the following reasons:

- 1.) If contrary to the existing acceptance prior to the closing of a contract, the purchaser is found not credit worthy. Credit unworthiness can easily be assumed in the event of a cheque exchange or protest, cessation of payment by the purchaser, or after an unsuccessful attempt for compulsory foreclosure by the purchaser. This does not necessarily have to deal with the relationship between us and the purchaser.
- 2.) When it turns out that the purchaser falsified data about his creditworthiness and this data turns out to be of substantial importance.
- 3.) If a commodity still under our retention of title is sold, differently than in the normal course of business of the purchaser, in particular through cessation by security or pledge). Exceptions to this exist only when we provide our agreement with the sale in writing.

XI. Partial Invalidity

The invalidity of any specific portion of these policies shall not affect the validity of the remaining policies.

XII. Data Protection

In accordance with the federal law for data protection we are entitled to process and store all data about the purchaser received in conjunction with a contract.

XIII. Delivery Location and Jurisdiction

- 1.) Provided the purchaser is a company or legal entity of the public law or public legal-estate, our home office is the exclusive area of jurisdiction for all damages resulting directly or indirectly from contractual relations. All duties resulting from contractual relations are considered to take place at our seat. That applies to exchange and cheque processes as well.
- 2.) In any case, most importantly transnational shipments, the laws of the Federal Republic of Germany apply without exception. The United Nation's April 11, 1980 agreement for the purchase of international goods (CISG) does not apply.