

GENERAL TERMS AND CONDITIONS

We shall deliver in accordance with the following terms and conditions, whereby any other provisions contradicting those listed below shall be rejected:

1. Scope of validity:

- 1.1 All of our agreements, including such in future. The supply of goods and services shall be completed exclusively based on the terms and conditions stipulated below, which shall be deemed as agreed upon.
- 1.2 For merchants, these General Terms and Conditions shall apply even if no express reference is made hereto in future delivery agreements.
- 1.3 We hereby object to any other purchasing terms and conditions issued by the purchasing party. Such shall not obligate us in any way, not even where we do not expressly object to such at the time the agreement is entered into.

2. Quotations, conclusion of an agreement and scope of the supply of goods/services:

- 2.1 Our quotations shall be subject to change without notice.
- 2.2 Orders shall only be deemed as accepted where we have acknowledged such in written form.
- 2.3 Our written order acknowledgement shall be decisive for the scope of the delivery. Subsidiary arrangements and amendments shall require our written acknowledgement.

3. Prices, payment terms:

- 3.1 Deliveries shall be invoiced at the agreed upon prices. All prices shall be ex works, excluding packaging, plus legal VAT respectively. Should there be any changes to cost factors prior to completion of the order, we reserve the right to make corrections to the price accordingly.
- 3.2 Unless otherwise agreed upon, our invoices shall be payable within 14 days as of date of invoice with a 2% early payment discount or within 30 days net after date of invoice in cash or via bank transfer. However, the ordering party shall only have the right to deduct an early payment discount where no other payments are in default.
- 3.3 All of our invoices shall be due upon receipt where the payment terms are not adhered to or where, upon completion of each order, we become aware of circumstances, which would give reason to reduce the creditworthiness of the purchasing party. In any such case, we shall moreover also have the right to demand an advance payment or a security deposit for any outstanding supply of goods or services or to cancel the agreement after an additional respite as appropriate or to demand compensation for damages due to non-fulfilment. We may also prohibit any further sale of goods supplied subject to retention of title and we may also demand the return of such or the assignment of direct ownership at the cost of the purchasing party and retract the collection authorization pursuant to point 7.4 below.
- 3.4 Where our customer is in default of payment, we shall have the right to demand default interest in the amount of the current discount rate published by the German Federal Bank plus 3.5%. The right to assert additional damages due to the payment default shall remain unaffected as a result of the aforementioned provision.
- 3.5. For any payment reminder issued due to a payment in arrears, a flat fee in the amount of € 5.00 shall apply.

- 3.6 No bills of exchange shall be accepted. Checks shall be accepted as conditional rather than actual payment. Check payments shall be credited on the date their equivalent value is available at our disposal. The purchasing party shall bear all costs associated with payments by check.
- 3.7 The purchasing party shall only have the right to offset the invoice amount or to reduce the invoice amount where the counter claim is not contested or where it has been established by law.

4. Lead time:

- 4.1 Delivery deadlines and delivery dates shall only be deemed as approximate. The delivery deadline shall commence at the earliest on the day our written order acknowledgement is sent, however no earlier than upon the date the purchasing party has submitted any documents, permits, drawings, approvals it is required to procure, or prior to the receipt of any agreed upon advance payment.
- 4.2 The delivery deadline shall be deemed as adhered to if the goods to be supplied have left the plant upon expiration of said deadline or notification of shipment readiness has been issued.
- 4.3 Where amendments or supplements are made to the agreement retroactively, a new delivery deadline is to be simultaneously agreed upon. The new delivery deadline shall, however, not take effect prior to the transmittal of a new order acknowledgement.
- 4.4 Any events deemed acts of God shall entitle us to postpone the provision of the performance by a reasonable amount of time or to otherwise rescind from the agreement with regard to the part of the agreement yet to be fulfilled. Equivalent to acts of God shall be strikes, lockouts, mobilization, war, blockades, import and export bans, shortages of raw materials and fuels, fire, traffic blocks, business or transport interruptions as well as any similar circumstances, even where such affect our suppliers. Damage claims by the purchasing party shall be excluded in the event of acts of God, as well as where legally permissible.
- 4.5 The aforementioned circumstances shall also not be our responsibility where such occur during an already existing delay. The purchasing party shall be informed of any such impairment as quickly as possible.
- 4.6 Delivery obligations and lead times shall only be agreed upon under the reservation of correct and on time delivery by our suppliers. Where such is not at hand, we shall have the right to cancel the agreement without compensation.
- 4.7 Should any delay be our responsibility, the purchasing party shall be required to grant us an extension of the delivery date as reasonable. After expiration of such deadline, the purchasing party may rescind from the purchase agreement. Damage claims due to non-fulfilment of delivery deadlines or scheduled delivery dates shall be excluded in so far as the purchasing party is unable to provide evidence of gross negligence or wilful intent.
- 4.8 Partial deliveries shall be acceptable. We reserve the right to excess quantities or shortages of up to 10% of the ordered quantities, whereby the terms of the agreement shall be deemed fulfilled.

5. Passing of risk, dispatch:

- 5.1 Passing of risk to the purchasing party shall take effect on the date the supplied goods are dispatched, even where partial performances have been made or where we have also assumed additional performances such as shipping or delivery.
- 5.2 Where the shipment should be delayed as a result of circumstances within the responsibility of the purchasing party, as such, the risk shall be passed to the purchasing party on the date of shipment readiness.
- 5.3 We shall have the right to refuse delivery of the customer's own tools until such time that our purchasing or maintenance costs have been reimbursed.

6. Warranty:

- 6.1 The purchasing party shall be required to immediately inspect the supply of goods or services objectively and professionally upon the receipt of goods or to otherwise inspect the goods delivered in accordance with our shipment documents. Said party may not be released from the inspection obligation. Costs resulting from an uninspected further processing shall be borne by the purchasing party. Notifications of defects must be asserted within eight work days. You must notify us immediately in writing of defects not discovered within said deadline despite careful inspection, however, at the very latest six months after receipt of the goods.
- 6.2 Where complaints are justified, we shall, at our discretion, either make repairs or provide replacements. Where repairs or replacements should fail, the purchasing party may demand cancellation of the agreement or a reduction of the price. Damage claims shall generally be excluded, other than in the event of wilful intent or gross negligence found with us or one of our vicarious agents. For trade transactions, damage claims shall also be excluded in the event of a lack of promised properties where such promised properties are not deemed critical in the prevention of subsequent damage.
- 6.3 We shall not assume liability for any damage or defects due to inappropriate or improper use, further processing or changes to the goods we supplied by the purchasing party or by any other third party. The same shall apply in the event that our handling instructions relating to the supplied goods were not followed or the defects were due to non-delivered, missing or incomplete technical documents, components parts or raw material, which the purchasing party failed to supply, unless said damage or defect can be traced back to a fault on our part.

7. Retention of title:

- 7.1 As the selling party we shall reserve the right of ownership to the supplied goods until payment of all, even any future invoices resulting from the business relationship, has been made in full even where payments for especially defined invoices have been made. For current accounts, the reservation of ownership shall serve to secure our outstanding balance.
- 7.2 Goods subject to retention of title may only be sold under generally accepted business dealings. This shall not apply in the event that the purchasing party is in default of payment. The purchasing party shall not have the right to pledge nor to transfer by way of security any goods subject to the retention of title. Notification of any pledging of goods subject to the retention of title as collateral to third parties must be made immediately.
- 7.3 Any processing or further processing, mixing or combination of goods we supply on the part of the purchasing party shall be made on our behalf without such giving rise to an obligation on our part. Where goods are processed, altered or combined with other objects, which do not belong to us, we shall have the right to co-ownership of the new product equal to the share of the difference between the invoice value of the processed, altered or combined goods subject to the retention of title and the value of the new product.
- 7.4 The purchasing party shall assign to us all rights—including all outstanding balances on an open account—that it is entitled to towards third parties associated with the use of the goods subject to the retention of title, in particular resulting from the re-sale, processing and further processing or installation in new product equal to the amount of the invoice value of our goods. Said assignment shall serve to secure all outstanding accounts payable, in particular such relating to damage claims, in our favour from purchasing party. The purchasing party shall have the right to collect all assigned accounts payable until revoked by us. The collection authorization shall expire without any express revocation in the event of a payment in default or any other signs that the purchasing party may be experiencing payment difficulties.

- 7.5 Where the realizable value exceeds the existing securities of our accounts receivable by a total of more than 20%, we shall be obligated upon the request of the purchasing party to release the security at our discretion.
- 7.6 In the event purchasing party is in default of payment, it shall be required to immediately, upon our request, provide all information which would serve to implement our rights to retention of title, in particular to provide us with a list of the goods subject to the retention of title and their whereabouts. The right of the purchasing party to keep the goods subject to the retention of title shall expire where its obligations relating to the mutual business relationships are not met. In such cases, we shall have the right to enter the factory premises or other property of the purchasing party so as to repossess the goods subject to the retention of title and, upon announcement of our intention, to sell such in the best possible manner. The proceeds shall be credited towards the liabilities of the purchasing party once all costs have been deducted. Repossession and resale of goods, which are supplied subject to the retention of title, shall not be deemed a cancellation of the purchase agreement.

8. General liability:

- 8.1 Unless otherwise stipulated within the terms and conditions at hand, we shall only be liable for damage claims in the event of a violation of our contractual or non-contractual obligations where wilful intent or gross negligence is at hand. However, we shall only be liable for the wilful intent and gross negligence of our vicarious agents, who are not in an executive position, where they are in violation of crucial contractual obligations. Under no circumstances – other than in cases of wilful intent - shall our liability include subsequent damage or such damage which could reasonably not be expected for a business transaction of this nature.
- 8.2 Unaffected by the liability limitation as stipulated above shall be our legal liability towards damaged parties in accordance with product liability laws.

9. Call-orders:

- 9.1 Where a delivery in the form of a call-order is agreed upon, as such the purchasing party shall be required to call up the goods within an appropriate deadline, at the latest, however, within a period of twelve weeks after notification of its completion.
- 9.2 If, despite an additional reminder by us subject to a further deadline of another four weeks, the goods are not called up, we shall have the right upon expiration of the additional deadline to, at our discretion, either deliver the goods to the purchasing party or to demand damages due to non-fulfilment.
- 9.3 Generally, should it there be a delay in picking up the ordered goods and should we decide to assert damage claims against the purchasing party, said party shall be required to pay a minimum flat-rate fee in the amount of € 3.00 per day as a warehousing charge.

10. Place of fulfilment / legal venue:

Place of fulfilment for all goods and services shall be the registered office of our company. For any disputes resulting from the contractual relationship, where the purchasing party or the supplier is a merchant, a legal entity governed under public law or a special fund under public law, the complaint is to be filed with the competent District Court of Spaichingen or the Regional Court of Rottweil.