

General Terms and Conditions for Sale

1. Formation of contract

- 1.1 These general terms and conditions of sale shall apply for all present and future international contracts concerning deliveries and other performances. Buyer's purchase conditions shall not be recognised even if Seller does not expressly object to them again after receipt by Seller.
- 1.2 Seller's offers are not binding. Oral agreements and assurances given by Seller's employees shall only be binding upon Seller's written confirmation therefor.
- 1.3 INCOTERMS, in its form at conclusion of contract, shall be applicable in cases of uncertainty concerning the interpretation of trade clauses.
- 1.4 Deliveries are made EX WORKS.
- 1.5 We use data processing in the frame of contract in accordance to German laws, § 23 BDSG.

2. Price

- 2.1 Insofar as not otherwise agreed, prices and terms shall be applicable as contained in the price list effective at the time of formation of the contract.
- 2.2 Should taxes or other extraneous expenses included in the agreed price change or newly accrue later than four weeks after the conclusion of the contract, Seller shall be authorised to modify the price relative to the respective increase.

3. Payment and Set-Off

- 3.1 Payment shall be made without deduction of cash discounts so that Seller shall have disposal over the sum on the due date, in case of cash payment net without deduction within 10 days after date of invoice we give 2 % sconto. Payment transfer cost shall be borne by Buyer. A right to retention and the authority to set-off by Buyer shall only exist insofar as Buyer's counterclaims are not disputed or have been determined to be final and conclusive.
- 3.2 In case of failure to pay within the agreed payment term, the interest rates stated on Seller's price list may apply. Absent such, Seller shall calculate interest at a rate of 12% of the sum due unless Buyer proves lesser damages. The claim of additional damages, in particular additional expenses in connection with modification to exchange rates and exchange rate guarantees shall be reserved.
- 3.3 Insofar as later circumstances become known which produce a material deterioration in Buyer's financial position and which jeopardise payment to Seller, all payments shall become due and Seller shall be authorised to make any bills of exchange held immediately due, regardless of their maturity dates. Seller shall then also be authorised to make any outstanding deliveries only with payment in advance or with provision of sufficient security.

4. Performance of Deliveries, Terms and Conditions and Delivery Dates

- 4.1 All obligations to deliver are conditioned and conforming and timely acquisition of supplies by Seller, unless the nonconforming or late delivery is caused by Seller.
- 4.2 Specifications concerning delivery times are approximate. Delivery times shall commence as of the date of Seller's confirmation of order and shall only apply after timely clarification of all details of the order and timely performance of all obligations by Buyer, as, for example, provision of all official certifications, provision of letters of credit and guarantees or payment of downpayments.
- 4.3 For the determination of compliance with delivery times, the time period as of dispatch from producer's plant or our warehouse shall be authoritative. Delivery times shall be considered to have been met as of notification of readiness for shipment if the goods cannot be timely shipped through no fault of Seller.
- 4.4 Events of force majeure shall allow Seller to postpone deliveries of the period of the impediment and for a reasonable time necessary for adaptation. This shall also apply if such events arise during an existing delay. Force majeure shall include actions affecting currency, trade policy and other sovereign measures, strikes, lockouts, operating shutdowns not caused by Seller (for example, fire, machinery and rolls breakdown, deficient raw materials or energy), obstruction of traffic routes, delays of import/customs clearance, as well as all other circumstances affect Seller, the producer or a supplier. Should, in consequence of the aforementioned occurrences, the performance of the contract become unreasonable for one of the contractual parties, such party can then declare the contract avoided.

5. Retention of Title

- 5.1 Goods delivered remain Seller's property until all performance of all contractual obligations stemming from the order, including possible bill of exchange claims.
- 5.2 Insofar as the validity of Seller's retention of title requires the cooperation of Buyer (for example registration), Buyer shall undertake all necessary actions to establish and preserve Seller's rights.
- 5.3 Seller may resell the goods within the ordinary course of business, assigning to us at the same time any claim stemming from such resale. He will be entitled, though, to collect the claims also after their assignment.
- 5.4 Should Buyer default in payment or not honour a bill of exchange at maturity, and not perform his obligation within an additional fixed period of time of reasonable length, Seller shall then be duly authorised to take back his goods and, in case, to enter Buyer's premises for this purpose. Further, Seller can prohibit the sale, the processing, assembly with other goods and the removal of the delivered goods. In such cases Seller may also withdraw Buyer's authority to collect claims according to the preceding paragraph 3 of this Clause and collect the claims himself.
- 5.5 Should the value of the so established securities exceed claims by more than 20% Seller will - upon Buyer's demand - release the equivalent part of such securities.
- 5.6 We keep title to and ownership of examples and prototypes of our research or development. Without our written agreement, they may not be used in industrial or made open to our concurrence.

5.a Supplementary Retention of title Clause for Deliveries

- 5.a.1 Title to and ownership of the goods shall not pass to the Buyer until all monies payable by the Buyer to the Seller under the Contract have been paid in full notwithstanding delivery and the passing of risk in the goods. If payment is overdue in whole or in part Seller may without any prejudice to any of its rights recover or resell the goods and may enter upon the Buyer's premises by its servants or agents of that purpose.
- 5.a.2 Until title to and ownership of the goods has passed to the Buyer in accordance with the provisions of the contract. the Buyer shall not sell, charge, dispose of or otherwise deal with the goods in any manner whatsoever nor use the goods in any manufacturing process save with the express consent in writing of the Seller. The Buyer shall keep the goods separate and apart from any other stock and hold them as the Seller's bailee but the Buyer's own risk.

6. Quality and Modifications

Quality shall be determined pursuant to the DIN-Standards. Insofar as no DIN-Standards exist, the respective European Standards shall apply and, absent such, trade usages. Slight modifications of the contractual amounts with deliveries of slightly more or less, common in trade, shall be allowed. In case of reference to DIN/EUROstandards, works' standards or works' test certificates as well as specifications as to grade, size, weight and utility such characteristics shall not be regarded as being guaranteed.

7. Passing of Risks, Partial Deliveries, Continual Deliveries

- 7.1 The risk passes to Buyer at all contracts when the goods are handed to a forwarding agent or carrier, however at the latest when they leave the warehouse or the works, unless their loss or damage is due to an act or an omission caused by Seller's fault.
- 7.2 Seller shall be authorised to make partial deliveries in reasonable amount. Slight modification of the contractual amounts with deliveries of slightly more or less, common in trade, shall be allowed.

8. Remedies of the Buyer for Lack of Conformity of the Goods

For any lack of conformity of the goods Seller shall be liable to Buyer in accordance with the following provisions:

- 8.1 Lacks of conformity of the goods are to be notified in writing promptly, at least 7 days after date of delivery. Lacks of conformity which, even with careful examination, could not be discovered within this period are - with immediate discontinuation of any use or processing thereof - to be notified in writing without delay after discovery, at the latest six months after date of delivery.
- 8.2 After performance of an agreed inspection of the goods Buyer loses his right to rely on such lacks of conformity which were determinable at the time of the agreed type of inspection.
- 8.3 Should Buyer fail to allow Seller without delay to convince himself of the lack of conformity and should Buyer, in particular, upon demand, not promptly provide the defective goods or samples, then Buyer loses the right to rely on any lack of conformity of the goods.
- 8.4 With goods which are sold as substandard products or used products, no remedies shall be granted to Buyer with reference to the declared defects and those normally to be expected.
- 8.5 Unless otherwise provided in this section, articles 45 to 51 CISG shall apply in respect of Buyer's rights for lack of conformity of the goods. Buyer may, however, declare the contract avoided under Article 49 paragraph 1 letter a) only if Seller has failed to perform his obligation within an additional period of time of reasonable length fixed by Buyer. Buyer's right to claim damage is exclusively governed by section IX of these conditions.

9. Damages

- 9.1 Seller's liability of breach of contractual and extracontractual obligations, in particular resulting from nonperformance, delay, culpa in contrahendo and tortious acts - includes Seller's responsibility for its managerial staff and other persons employed in performing its obligations - shall be restricted to damages caused by wrongful intent or gross negligence and shall in any case be limited to foreseeable losses in the meaning of Articles 25 and 74 CISG and damages characteristic for the type of contract in question.
- 9.2 Seller's liability for fundamental breaches of contract within the meaning of Article 25 CISG, its statutory liability according to the Product Liability law (Produkthaftungsgesetz of 15/12/89) as well as any liability resulting from non-fulfilment of implied or express warranties and conditions (= zugesicherte Eigenschaften) shall remain unaffected from the aforesaid limitation of liability.

10. Assignment

The partial or total transfer of a contract, as well as the cession or assignment, under any form shall be prohibited.

11. Export Control

We presume that the consigned goods will be imported into Buyer's country, and that in case of re-export a license has been granted by that country.

12. Place of Performance, Jurisdiction, Applicable Law and Applicable Version

- 12.1 Insofar as not otherwise agreed, the place of performance of Seller's deliveries ex works be the producer's plant; for all other deliveries, Seller's warehouse. The courts and authorities of the Federal Republic of Germany shall have jurisdiction over all controversies that may arise. Seller may sue also Buyer in Buyer's jurisdiction.
- 12.2 All legal relationships between Seller and Buyer shall be governed by the laws of the Federal Republic of Germany inclusive of the United Nations Convention on Contracts for the International Sale of Goods of April 11, 1980.
- 12.3 In case of uncertainty the English version of these terms and conditions of trade are authoritative. At request Seller will place the English text at Buyer's disposal.