

1. General Terms / Scope of Validity

- 1.1 Our terms of sales apply exclusively; we do not recognise the purchaser's terms that oppose our terms or deviate from our terms of sales unless we grant explicit written approval of their validity. Our terms of sales also apply if we complete delivery to the purchaser without reservations in the knowledge of the purchaser's terms that oppose our terms or that deviate from our terms.
- 1.2 All agreements reached between us and the purchaser for the purpose of fulfillment of this contract are recorded in this agreement in writing.
- 1.3 Our terms of sales apply only with regards to entrepreneurs in the sense of § 14 of the German Code of Civil Law.
- 1.4 Our terms of sales also apply to follow-up orders.

2. Offers / Documents for Offers

- 2.1 Our offers are not binding unless not otherwise determined in the offer.
- 2.2 We retain property rights and copyright to illustrations, drawings, calculations, electronic files, computer programmes and other documents; it is not permitted to make them accessible to third parties. This applies in particular to such written documents that are marked "confidential". The purchaser requires our explicit prior written consent to passing them on to a third party.
- 2.3 Any order requires our confirmation in writing to be binding. Should a delivery be necessary to occur before an order confirmation can be sent out, the order is effectively confirmed with the delivery of the goods. We are entitled to withhold delivery in the event of disadvantageous developments with regard to purchaser's assets or creditworthiness until purchaser has made his due payments or has provided appropriate security.

3. Prices / Conditions of Payment

- 3.1 Insofar as not otherwise determined in the offer or the confirmation of the order our prices shall apply "ex works" plus packing and transport costs; these costs will be invoiced separately. Statutory value added Tax is not included in our prices.
- 3.2 Deduction of discount is conditional upon special written agreement.
- 3.3 Insofar as not otherwise determined in the confirmation of the order or the invoice, the net purchase price (without deductions) is due within 14 days of the date of the invoice. Should the purchaser be in default of payment then we are entitled to charge default interest amounting to 8% above the relevant official basic interest rate. However, the purchaser has the right to prove that no damage or only minor damage is incurred as a consequence of the delay in payment.
- 3.4 In the case of drawing tools, special production or projects, payment is to be made as follows:
 - 1/3 in advance following delivery of confirmation of order;
 - 1/3 on delivery
 - 1/3 14 days after acceptance.
- 3.5 The purchaser only has set-off rights if the counter claims have been legally confirmed, are undisputed or recognised by us. The purchaser is authorised in exercising a right of retention insofar as his counter claim is based on the same contractual relationship.

4. Delivery / Delivery Date

- 4.1 The commencement of the stated delivery period is under the assumption that all technical questions have been settled.
- 4.2 Furthermore, compliance with our delivery obligation is conditional upon the punctual and orderly fulfilment of obligations by the purchaser, in particular of compliance with the agreed conditions of payment. We retain the right of defense of lack of performance.
- 4.3 Should the purchaser be in default of acceptance or should he offend in any other manner against duties to co-operate, we are entitled to claim compensation for damage thus incurred including any extra expenses. We retain the right to make additional claims.
- 4.4 Should the non-compliance with the delivery date be due to force majeure, e.g. mobilisation, war, uprising or similar incidents, e.g. strike or lock-out, then the delivery period shall be extended for the duration of the events responsible for the delay, insofar as these interruptions have more than minor influence on the completion or delivery of the goods. This also applies if these circumstances pertain to the suppliers.
- 4.5 Partial deliveries are admitted to a reasonable extent.
- 4.6 We accept liability for delay in delivery according to statutory terms as far as the corresponding purchase contract is a fixed - date purchase in the sense of § 286, para 2, no. 4 of the German Civil Code or § 376 of Commercial Code. Statutory terms also apply in case purchaser may establish that his interest in the fulfilment of the purchase contract has become frustrated.
- 4.7 Furthermore, we accept liability according to statutory terms should delay in delivery be due to intentional or grossly negligent contract in our responsibility; negligence by our representatives or by our employees shall be attributed to us. Insofar as delay in delivery is due to grossly negligent conduct or slight negligence of a material contractual duty, our liability is restricted to the foreseeable typically occurring damage.

- 4.8 Insofar as delay in delivery is due to slight negligence and a violation of a material contractual obligation did not occur, then our liability for the damage due to delay shall further be limited to the extent that the purchaser may demand 3 percent for each complete week of delay, to a maximum total of 15 percent of the price, for that part of the delivery that could not be put into operation for the required purpose due to the delay. A reversal of burden of proof to the disadvantage of the purchaser is not connected herewith. The purchaser's statutory right of cancellation shall remain unaffected.
- 4.9 Should dispatch or delivery be delayed at the purchaser's request by more than one month after announcement of readiness for dispatch, then the purchaser will be charged storage expenses amounting to 0.5 percent of the price of the object of delivery for each month or part of a month, however to a maximum total of 5 percent. Proof of higher or lower storage expenses may be presented by the parties.

5. Passing of risk

- 5.1 Passing of risks occurs with the delivery of goods to the purchaser.
- 5.2 Insofar shipment is not desired "FOB" delivery is agreed "ex works" Wellendingen. Costs and risks resulting from loading and dispatching the goods from our premises are to be borne by the purchaser.
- 5.3 Insofar as desired by the purchaser, delivery shall be covered by transport insurance; the costs incurred for the insurance shall be borne by the purchaser.

6. Defects

- 6.1 Our liability for defects requires purchaser's compliance with the applicable statutory inspection and notification obligations.
- 6.2 For all those parts or services that show material defects within the period of limitation – irrespective of duration of operation – we reserve the right at our reasonable discretion to remedy the defects or to effect substitute delivery without charge.
- 6.3 Claims to material defects shall be limited to 12 months. The period shall commence with the passing of risk (section 5).
- 6.4 In the case of notice of defects payment by the purchaser may be withheld in a reasonable relationship to the defects occurring. The purchaser may only withhold payment if a material deficiency is claimed for which there is no doubt about the justification. If claims to deficiencies are made that are not justified, we are entitled to demand that the purchaser refund us for the expenses incurred.
- 6.5 In the first place we are always to be granted the opportunity to remedy a lack of performance within a reasonable period of time.
- 6.6 If the follow-up performance is unsuccessful then the purchaser may cancel the contract or may reduce payment – without prejudice to any claims for compensation. The purchaser may only demand compensation for expenses he had to no avail if we are responsible for the defects due to intent, gross negligence or due to negligent infringement of a material contractual obligation.
- 6.7 Claims by the purchaser for expenses for follow-up performance, in particular for transport, labour and material expenses, are excluded insofar as the expenses are increased because the object of delivery is brought to a different place than the purchaser's premises at a later date, unless the transport corresponds to the place for intended use.
- 6.8 Recourse claims only exist for the purchaser insofar as the purchaser did not agree on terms with his customer beyond statutory claims for deficiencies.
- 6.9 Section 7 shall apply in the case of claims to compensation. Additional claims, or claims other than those regulated in this section or in section 7 relating to material defects are excluded.
- 6.10 Material defects shall not be recognised in case of natural wear and tear or damage caused as a consequence of incorrect or careless handling, modification of the goods, the application of improper machinery materials and in the event of sealing damage that is due to chemical or electro-chemical influence.

7. Overall Liability

- 7.1 All claims by the purchaser to compensation are excluded – irrespective of the legal nature of the claims made.
- 7.2 This does not apply to:
 - a) Damages due to injury to life limb or health, if we failed to comply with our duties.
 - b) For other damages caused by intentional or gross negligent breach of duty, irrespective of whether we or our statutory representatives or employees are responsible.
 - c) Damages due to breach of material contractual obligations. A material contractual obligation means an obligation to the fulfilment of which the purchaser relied or was entitled to rely to. However, in the event of slight negligence the liability for compensation shall be limited to foreseeable typical damages.
 - d) Compensation due to frustration or incapability.
- 7.3 A reversal of the burden of proof to the disadvantage of the purchaser is not connected to the above provisions.
- 7.4 Liability according to the Product Liability Act shall remain unaffected.
- 7.5 Insofar as liability for compensation against us is excluded or limited, this shall also apply with respect to personal liability of our employees, our agents and our vicarious agents.

8. Retention of Rights to Ownership

- 8.1 The objects of deliveries (reserved goods) shall remain our property until all claims against the purchaser from the business relationship have been fulfilled. Insofar as the value of all the security rights that we have against the purchaser shall exceed the total amount of all secured claims by more than 10%, we will release a corresponding proportion of the security rights on request by the purchaser.
- 8.2 For the duration of reservation of property rights the purchaser is not permitted to pledge or transfer the goods by way of security, and resale is only permitted to resellers in the course of normal business transactions and only on the condition that the reseller is paid by his customer, or reserves the right of transfer of property to the customer until payment obligations have been fulfilled.
- 8.3 The purchaser must inform us without delay in the case of pledges, seizures or other third party orders or interventions, so that we can bring charges according to § 771 Code of Civil Proceedings. Insofar as the third party is not able to refund court fees and extra-judicial expenses for charges according to § 771 Code of Civil Proceedings, then the purchaser shall be liable for our losses.
- 8.4 The purchaser is obliged to handle the purchased goods with care; he is in particular obliged to insure them adequately for value when new against fire, water and theft. Insofar as maintenance and inspection work is necessary, the purchaser shall carry this out on his own account.
- 8.5 In the event of breach of obligation by the purchaser, in particular default in payment, we are justified to cancellation and repossession; the purchaser is obliged to restoration. Repossession or enforcement of property reservation rights does not entail cancellation by the supplier; such acts or a seizure of reserved goods by us does not entail cancellation of the contract on our part, unless we made a explicit declaration.
- 8.6 If the purchaser has sold the purchased goods in a proper business transaction, he assigns to us all claims to the amount of the final invoiced sum (including value added tax) to the claims that are due to him from the resale from his customer or third party. This shall apply irrespective of whether the purchased goods have been sold with or without processing. The purchaser remains authorised to collect payment notwithstanding the assignment. Our right to collect payment ourselves shall remain unaffected. However, we shall not collect payments as long as the purchaser satisfies his payment obligation from the proceeds he takes, is not in default of payment and, in particular, no application has been made for the opening of insolvency proceedings or cessation of payments. Should this, however, be the case, then we may demand that the purchaser shall inform us of assigned liabilities and the corresponding debtors, shall provide all necessary information for collection, shall hand over the corresponding documents and shall inform the debtors (third parties) of the assignment.
- 8.7 Processing or change of the purchased object by the purchaser shall always be done on our behalf. If the purchased object is processed together with objects not belonging to us, then we shall acquire joint ownership of the new object in the proportion of the value of the purchased object (final invoiced amount, including value added tax) to the other objects processed at the time of processing. The provisions relating to the delivered goods under reservation of title apply also to goods created by processing.
- 8.8 If the purchased object is mixed with objects that do not belong to us, so that they are inseparable, then we shall acquire joint ownership of the new object in proportion of the value of the purchased object (final invoiced amount, including value added tax) to the other mixed objects at the time of mixing. Should mixing take place in such a manner that the purchaser's object can be recognised as the main part, then it shall be assumed as agreed that the purchaser shall assign proportionate joint ownership. The purchaser shall hold the exclusive or joint ownership in safe custody for us.

9. Place of Fulfilment and Jurisdiction, Applicable Law, Data Storage

- 9.1 The headquarters of our company shall be the place of performance for both parties for all rights and obligations evolving from our deliveries and services.
- 9.2 Rottweil Local Court shall be competent for legal disputes concerning business transactions with entrepreneurs that fall under the competence of the local court. Rottweil Regional Court shall hereby be agreed on as place of jurisdiction for legal disputes that fall under the relevant competence of the regional court.
- 9.3 The contractual relationship is subject to the law of the Federal Republic of Germany. Application of UN Purchase Law (CISG) is excluded.
- 9.4 Data submitted by the purchaser will be stored and processed using electronic data processing insofar as permitted by the Federal Data Protection Act (§§ 28, 29 Federal Data Protection Act).