

## GENERAL TERMS AND CONDITIONS

### § 1 Place of Performance

1. Place of performance for all aspects of the delivery is the respective point of departure of the goods, for payment D-Aalen-Unterkochen.

### § 2 Choice of Forum

The choice of forum is D-Aalen or at the option of the seller the general jurisdiction of the buyer.

### § 3 Transportation

Loading and transport will be made uncovered at the risk of the buyer.

### § 4 Interruption of Delivery

1. In the case of force majeure, work disputes and other interruptions of business that are not due to fault, which last longer than a week or apparently will last longer than a week's duration, the period of delivery and the period of receipt are extended without more for the period of delay, at the longest however for 5 weeks in addition to an extended period of delivery. The extension occurs only when the other party is given prompt notice of the reason for the delay as soon as it is foreseeable that the named period cannot be adhered to.

2. If the delivery or acceptance does not occur on a timely basis, the other contract party can rescind the contract. It must nevertheless provide written notice at least two weeks prior to exercising the right of rescission.

3. If the other contract party upon request is not informed promptly that a delivery or receipt did not occur on a timely basis and if the delay lasted longer than 5 weeks, the other contract party can rescind the contract immediately.

4. Damage compensation claims are excluded if the contract party has not fulfilled its duty under § 4(1)-(3).

### § 5 Replacement of Damages

As far as legally valid our obligation to provide damages, irrespective of legal basis, is restricted to the invoiced value of goods we delivered to the directly involved quantity of goods to the caused damage - unless we are specifically liable for lawful damages because of intention or gross negligence.

### § 6 Notice of Defects

1. Notice of defects is to be sent to the Seller at the latest within 12 days after receipt of the goods.

2. After cutting or other processing of the delivered goods, any claim of apparent defect is excluded.

3. Minor, technically unavoidable deviations from quality, color, width, weight, outittings or of design may not be claimed as defects. This applies also to deviations customary in the trade unless the Seller has assured delivery according to sample in writing.

4. In case of justified notice of defects the Seller has the right of repair or delivery of a replacement good free of defects within 12 days after receipt of the returned item. In this case the Seller bears the freight costs. If repair is not successful, the Buyer only has the right of reduction of the purchase price or rescission of the contract.

5. After expiration of the period provided in § 6(4) the Buyer can only obtain reduction of the purchase price or rescission of the contract.

6. The Buyer has to inform the Seller without delay of hidden defects after their discovery. The Buyer can on account of a timely notice of defect only obtain reduction of the purchase price or rescission of the contract.

#### § 7 Payment

1. The invoice will be issued on the day of delivery or the day of availability of the goods. Postponement of maturity (valuation time) is in principle excluded.
2. Invoices are payable within the contracted term.
3. Payments will be applied always to offset the oldest due accounts.
4. The postal receipt stamp determines the date of receipt of payment. In the case of bank transfer, the day preceding the credit of the bank of the Seller is deemed to the receipt of payment.

#### § 8 Payment after Due Date

1. For payments after due date, interest at the rate of 8% above the then applicable basis rate will be calculated.
2. Before complete payment of due invoiced amounts including interest, the Seller is not obligated to make any further delivery from any current contract. The claim of delay damages is reserved.
3. In the case of delay in payment of the Buyer or in the case of threatened insolvency or other essential deterioration of assets of the Buyer, the Seller can demand, after providing a notice period of 12 days, payment in cash before delivery for still outstanding deliveries from any current contract or rescind the contract or demand damage compensation.

#### § 9 Payment Methods

The offsetting and withholding of due invoiced amounts is only permissible for undisputed claims or those reduced to final judgment. This applies also in the case of cessation of payments by the Seller. Other deductions (for ex. Postage) are impermissible.

#### § 10 Retention of Title

1. The goods remain the property of the Seller until the complete payment of all claims from delivery of goods from the entire business relationship, including side claims, damage compensation claims and cashing of checks and bills of exchange. The retention of title also remains where particular claims of the Seller have been incorporated in an outstanding invoice and the balance is reflected and acknowledged.
2. If the goods subject to retention of title have been connected to a new movable item, mixed or processed by the Buyer, this applies for the Seller without any obligation on it. Through the connection, mixing or processing the Buyer does not acquire ownership of the new thing under §§ 947 and following sections, German Civil Code. The Seller acquires co-ownership in the new thing in the case of connection, mixing or processing with things not belonging to the Seller in proportion to the outstanding invoiced value of the goods under retained title to the entire value.
3. Insofar as in the business relationship between the Seller and the Buyer a centralized authority is invoked that takes over del credere liability, the Seller transfers with shipment of the goods the ownership to the centralized authority subject to the condition of payment of the purchase price by the central authority. The Buyer is relieved of payment liability only with payment by the central authority.
4. The Buyer is entitled to further sale or processing only with consideration of the following conditions.
5. The Buyer may sell or process the goods subject to retention of title only in the course of ordinary business and insofar as its asset standing does not significantly deteriorate.
  - 6a. The Buyer assigns hereby the claim, with all related rights, from resale of the goods subject to retention of title – including any accounts receivable – to the Seller.
  - 6b. If the goods are connected, mixed or processed and the Seller has obtained co-ownership in the amount of the outstanding invoiced value, it is entitled to any purchase claim for the goods in proportion to its rights.

6c. If the Buyer sells the claim within the scope of genuine factoring, the Buyer assigns the claim it has against the factor to the Seller and will send to the Seller its sales proceeds in proportion to the value of the rights of the Seller to the goods. The Buyer is obligated to disclose the assignment to the factor when payment on an invoice is more than 10 days overdue or when its assets'situation deteriorates significantly.

The Seller accepts this assignment.

7. The Buyer is entitled to collect the assigned claims insofar as it is in compliance with its payment obligations. The collection authorization ends with payment delay of the Buyer or in the case of significant deterioration of the assets of the Buyer. In such case the Seller is hereby authorized by the Buyer to inform customers of the assignment and to collect the claims itself.

The Buyer has to provide information that is necessary for collecting the assigned claims and for review of such information. In particular it has to hand over to the Seller on request an exact listing of the claims it has with the names and addresses of the customers, the amount of the particular claims, the date of invoice, and so forth..

8. If the value of the security held by the Seller for the entire claims by more than 10%, the Seller is obligated on request of the Buyer to release the security to such extent per its choice.

9. Using the goods subject to retention of title for a lien or as security is impermissible. The Seller is to be informed immediately of any lien seizures, with provision of information concerning the lien creditor.

10. If the Seller takes the delivered good back in exercise of its right of retention, contract rescission only exists where the Seller expressly declares it. The Seller can satisfy its claims by private sale.

11. The Buyer keeps the goods under retention of title for the Seller without cost. It has to insure them within the usual scope against common dangers such as for ex. fire, theft and water. The Buyer assigns hereby to the Seller its compensation rights, which it has as a result of damages of the aforementioned type, against insurance companies or other obligated parties in the amount of the invoiced value of the goods. The Seller accepts this assignment.

12. All claims as well as rights from retention of title in all the special forms set out in these Terms and Conditions remain until complete satisfaction of any possible obligations (check/bill of exchange) that the Seller has incurred in the interest of the Buyer. The Buyer is in principle permitted in the case of sentence 1 to pursue factoring for its accounts receivable. Before entering any such conditional obligations it must nonetheless inform the Seller.

#### § 11 Applicable Law

The law of the Federal Republic of Germany applies. The Treaty of the United Nations on Contracts for the International Sale of Goods from April 11, 1980 is excluded.

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