

# General Terms and Conditions of Sale

- 1. General Provisions**
  - 1.1 All our quotations, confirmations of orders, deliveries and services are subject to these general terms and conditions of sale. Any modifications, amendments or contradictory terms and conditions require our explicit written acknowledgement.
  - 1.2 Our terms and conditions shall be deemed to be accepted upon acceptance of our goods or services at the latest.
- 2. Quotations**

Our quotations shall be subject to change without notification. Documents such as catalogues or brochures which are possibly enclosed with the quotation are to be regarded as approximate unless explicitly indicated as binding. We reserve property rights, design rights, copyrights and other industrial property rights for any estimates of costs, drawings and other documents; they may not be disclosed to any third parties. Any delivery and service agreements shall only come into existence upon our written confirmation.
- 3. Scope of Contractual Obligations**

The scope of the contractual obligations shall be subject to a mutually signed written agreement; our written confirmation of the order shall be authoritative if such an agreement does not exist. Billing is to be deemed as confirmation of the order. Any subsequent modifications and collateral agreements require the written form.
- 4. Prices**
  - 4.1 Our prices are subject to change without notification. They pertain to the respective offered or confirmed quantities not including VAT, for services ex works without costs for freight, insurance and packaging. VAT will be additionally invoiced at the rate applicable at the time of delivery; any further taxes as well as customs duties are not included and will hence be borne by the customer.
  - 4.2 We bill the prices valid at the time of delivery. If the original price valid at the date of conclusion of the contract is increased by more than 6%, the customer is entitled to withdraw from the contract within 5 days upon notification of the increased price. This shall not apply for long-term delivery relations, which are executed and invoiced in partial deliveries for reasons within the customer's control. We are entitled to invoice the customer for the costs for test parts, specimen and tools necessary for the manufacturing of test parts and serial parts.
- 5. Passing of Risk**
  - 5.1 The risk passes to the customer as soon as the goods – in case of partial delivery: the delivered items – leave our factory, a field warehouse or - in case of direct delivery of goods not manufactured in our premises – the warehouse of one of our subcontractors. If the delivery is delayed because of circumstances within the customer's control, the risk passes to the customer by the day on which the goods are ready for shipment; At the customer's option and expense, deliveries may be covered by insurance.
  - 5.2 Delivered goods shall be accepted by the customer even if they show minor defects notwithstanding the customer's rights of warranty in accordance with Art. 11.
- 6. Delivery and Performance**
  - 6.1 Any covenant of terms and deadlines after conclusion of the contract requires the written form; the same shall apply for any subsequent covenants or amendments. Compliance with delivery dates depends on whether all documents necessary for the implementation of the order, all parts and data as well as the provision of advance performances by the customer are received in time. If these preconditions are not met, the delivery term is extended accordingly. The date of delivery is regarded to be the day on which the customer was notified that the goods are ready for collection. In case delivery is owed, the date of delivery is regarded to be the day on which the goods are handed over to the transport person.
  - 6.2 Partial deliveries and part performances within the specified term for delivery shall be admissible. The term for delivery and performance shall be adequately extended in case of incidents occurring after conclusion of the contract in the framework of industrial actions, particularly strikes and lockouts as well as in the event of unforeseen circumstances occurring after conclusion of the contract such as fire, inundations, extreme weather conditions, accidents, official interventions, material shortage, supply delays, or other cases of disability not caused by our negligence or the negligence of our subcontractors. If due to the aforementioned impediments to delivery or performance the consented term of delivery or performance is delayed by more than 6 months, the customer shall have the right to withdraw from the contract.
  - 6.3 In the event of culpable default or inability to deliver, the customer shall have the right to claim damages. In case of slight negligence liability shall be restricted as follows: For every commenced week of default compensation is at most 0.5% of the value of that part of the overall delivery or performance, which due to the delay cannot be used in time or in accordance with the contract. The compensation claim in case of slight negligence must not exceed a total of at most 5% of the aforementioned value.
  - 6.4 Any other compensation claims of the customer shall be excluded for all events of delayed delivery, also upon expiration of a period of grace possibly granted to us. This shall not apply insofar as liability is obligatory in cases of intent, gross negligence, violation of obligations crucial for attaining the subject of the contract or of injury of life, body and health.
  - 6.5 The customer's right to withdraw upon fruitless expiration of an appropriate period of grace granted to us shall remain unaffected.
  - 6.6 If delivery is delayed upon the customer's request, we shall be entitled to store the goods at the customer's expenses.
- 7. Acceptance of Goods**

If the customer fails to accept the goods, we shall be entitled to set a two-weeks' period of grace to the customer in writing with the declaration that upon expiration of said period acceptance of the goods or performances is refused. After fruitless expiration of the period of grace, we shall be entitled to withdraw from the contract and claim damages for non-performance. It is unnecessary to set a further period of grace if the customer seriously and absolutely refused acceptance. If we claim damages, the amount thereof shall be 10% of the purchase price or of the remuneration for services rendered. The amount of damage shall be estimated at a higher or lower value, if we prove higher or the customer proves lesser damage.
- 8. Call Orders**
  - 8.1 Call orders have to be accepted by the customer in doubt at the latest within 12 months upon placing the order and have to be paid for to the full extent within this period.
  - 8.2 If due to the total order volume a more favourable sliding price is agreed upon, we have the right to adjust the price according to the quantity scale if the customer fails to accept the overall quantity in time for reasons within the customer's control.
  - 8.3 After expiration of the deadline for a call order, we are entitled to withdraw from the contract because of the still unaccepted quantities after setting a period of grace to the customer in writing, and to claim damages for non-performance.
- 9. Payment**
  - 9.1 Our invoices are payable within 14 days upon date of invoice with a 2% discount granted, or within 30 days strictly net for all domestic orders. Regarding all export orders, delivery is effected only against prepayment.
  - 9.2 Payment shall be deemed effected only after we are able to dispose of the amount. Check payments shall be deemed effected only after final cashing of the check. Any and all costs accruing due to the cashing shall be borne by the customer. Payment by bills of exchange shall be subject to our prior consent in any event.
  - 9.3 Unless the customer gives a special notification or message, payment shall respectively be credited against the oldest invoice due.
  - 9.4 The customer can only offset against such receivables, which are undisputedly recognized by us or a final and absolute declaratory judgment. The customer has no right to withhold payment with respect to our claims for payment on the basis of any other orders or legal relations.
  - 9.5 If payment is not effected within 30 days upon date of invoice, we bill the legal interest on arrears of 8% above the relevant base lending rate as of the date the default occurs.
  - 9.6 The proof for higher damage shall not be excluded thereby.
  - 9.7 If the customer is in arrears with our justified claims for payment, we shall have the right to defer fulfilment of our own obligations until the outstanding payment is effected.
  - 9.8 If the customer culpably fails to meet his obligations to pay, we shall have the right to claim immediate cash payment of the entire residual debt still existing, or as a precaution the preliminary return of the delivered goods, even if we accepted checks. With respect to the goods still to be delivered or the services yet to be provided we shall moreover have the right to demand prepayment or provision of additional security.
  - 9.9 If we make use of our right to partial deliveries or part performances, the customer shall be obliged to pay the delivered part of the goods or the rendered part of the services in accordance with the above terms of payment.
- 10. Retention of Title**
  - 10.1 The goods delivered by us shall remain our property until all our accounts receivable for any legal grounds whatsoever are satisfied, in case of check payment or a bill of exchange until its cashing.
  - 10.2 Processing or transformation shall always take place for us as producers, however without obligation for us. If our joint ownership expires due to combination or any other legal provisions, it is already agreed that the co-ownership in the regular subject of the customer devolves on us pro rata in accordance with the value of the invoice. The customer shall have custody of our co-ownership free of charge.
  - 10.3 The customer shall however be authorized to alienate the reserved property in the usual course of business. The customer's claims towards third parties arising from such sale are herewith already assigned to us to their full extent and with all ancillary rights.
  - 10.4 In the event of attachment of the reserved property by third parties, the customer immediately has to indicate our ownership and undertakes to immediately notify us. The customer shall come up for all costs and damage. Pledging, security transfer of title or any other disposal of the reserved property capable of impeding our rights shall be excluded.
  - 10.5 In case of an attitude of the customer in breach of this contract due to which the value of the goods as security collateral is considerable jeopardized, we shall have the right to redeem the goods upon demand, and the customer shall be obliged to return the property. The assertion of the retention of title as well as the pledging of delivered goods by us shall not be deemed as rescission of the contract unless the Consumer Credit Act applies.
  - 10.6 Insofar as more than 120% of our total claim due to retention of title and/or assignment are covered without any doubt, upon the customer's request we shall release any securities exceeding this margin at our option.
  - 10.7 If the customer fails to meet his/her obligations arising from the retention of title, the entire residual debt still due is immediately payable.
- 11. Warranty**
  - 11.1 Insignificant negligible deviations or changes as compared to the catalogues or specimen or goods delivered in the past shall not be deemed as defects. The indications concerning the subject of delivery and performance contained in our catalogues, brochures and price lists only represent descriptions, characterizations and standards, and must not be understood as commitment. The commitment as to quality or the exclusion of deviations customary to trade always have to be obligatory explicitly agreed in writing for every individual case.
  - 11.2 The customer is obliged to immediately examine the goods delivered by us and to immediately notify us of possible defects and excess or reduced quantities. The perfect condition of the goods and their suitability for being processed further shall be examined with a sufficient number of items before a serial processing of our goods is commenced. Any defects have to be notified to us immediately upon their disclosure in writing by giving a detailed description thereof and citing our order number. For obvious defects, the term within which to notify is ten days upon delivery. The assertion of warranty claims for defects not reprimanded in due course shall be excluded.
  - 11.3 We shall be liable for defects in delivery or services comprising the lack of explicitly assured characteristics under exclusion of further claims, however, notwithstanding the claims in accordance with Nos. 6 and 12, as follows:
    - 11.3.1 Defective parts, which prove unusable or considerably impaired in their usability within a year upon delivery due to a defect existing already at the time of passing of risk – particularly due to defective construction,

- 11.3.2 bad component parts or defective realisation –shall either be repaired by us free of charge or newly delivered by us, as appears just to us. In order to enable us to carry out the necessary repairs or replacement, the customer shall grant us an appropriate deadline and give us the opportunity to repair or replace the respective parts.
- 11.3.3 Any repairs shall at our own option take place either on site or in our premises. Accruing transport costs are borne by us, whereby the consignor shall be obliged to choose the minimum-cost mode of dispatch.
- 11.3.4 The customer shall have the right to request a remedy of defects outside our premises, if and when in consideration of the rightful interests the customer's interest in remedying the defects on site prevails, and the customer bears the costs additionally accruing as compared to repairs carried out in our premises. In case, the repair on site leads to a considerable restriction of the occurring damage as compared to repairs carried out in our premises, we will share the additional costs hereby incurred to an appropriate extent.
- 11.4 Our warranty shall only apply for such defects, which occur under the contractually provided working conditions and under proper use. We are not liable for improper installations, cleaning or handling of the customer or for the use of inappropriate cleaning agents or operating equipment, or for the usual wear. The same shall apply if the customer or any third party carries out improper changes, cleaning, maintenance works or any other such interferences.
- 11.5 If the repair fails, the customer shall have the right to either withdraw from the contract or require an appropriate reduction of the purchase price, as he wishes. Any further claims of the customer against us or our vicarious agents, particularly compensation claims for damage occurred not directly on the delivered good itself, shall be excluded insofar as we are charged with slight negligence. The exclusion shall not apply in cases of intent, gross negligence, violation of obligations crucial for attaining the subject of the contract as well as in cases of injury of life, body or health. The customer's claims in accordance with No. 6 and No. 12 shall remain unaffected.
- 12. Liability to the Customer**
- 12.1 Our liability for damages for contractual or quasi-contractual reasons, tort or any other legal grounds shall be excluded notwithstanding the customer's claims specified in No. 6 and No. 11. This shall not apply, if and when an injury of life, body or health is involved, or if such injury is due to wilful or grossly negligent behaviour by us or our vicarious agents, or if the violation of an obligation crucial for attaining the subject of the contract is concerned. In the latter case, the liability for slight negligence shall be restricted to the substitution of the contractually typical foreseeable damage.
- 12.2 These liability provisions shall also apply for counselling rendered by us in written and spoken as well as for tests and other activities and services. It shall be incumbent on the customer himself to examine the suitability of our goods and services for his intended purposes.
- 13. Right to Rescind the Contract**
- 13.1 If upon confirmation of the order we entertain founded doubts regarding the customer's good standing or creditworthiness, we shall

have the right to require at our own option either cash payment or the provision of securities before delivery of the goods. If the customer fails to perform, we shall have the right to rescind the contract and demand indemnity.

- 13.2 The customer has no contractually stipulated right to rescind whatsoever unless explicitly agreed. Insofar as the customer is granted a right to rescind, or we consent to cancellation in a particular case, the customer shall have to pay the following cancellation fees:

Calendar days passed between the written confirmation of the order and the cancellation	percentage of the price
0 – 30 days	10%
31 – 45 days	20%
more than 45 days	30%

**14. Applicable Law/Venue**

14.1 This contract shall exclusively be governed by the laws of the Federal Republic of Germany.

14.2 However, the application of the United Nations Convention on Contracts for the International Sale of Goods of April 11, 1980 does not apply.

14.3 For any disputes arising out of the contractual relationships, whereby the customer is either a merchant entered in the Commercial Register, a legal entity under public law or separate funds under public law, lawsuits have to be filed with the competent Court in the place of our registered office or our branch office from which the deliveries are effected.

14.4 We shall moreover be entitled to file suit in the place of residence of the customer.

**15. Severability**

15.1 If individual provisions of these General Terms and Conditions of Sale or of the contract substituted by them are or become invalid, the effectiveness of the other provision shall remain unchanged, and the invalidity of one provision shall not affect any part of the remaining General Terms and Conditions of Sale.

15.2 The contractual parties undertake to covenant a new provision approaching best the purpose pursued with the ineffective provision.