

GENERAL TERMS OF SALE AND DELIVERY

1.) Contract Basis

All contracts between us and our customers are made exclusively based on the following general terms of sale and delivery. The general terms and conditions of customers are only valid in so far as they have been explicitly agreed in writing by us. Furthermore, we already object at this stage explicitly to acknowledge the general terms and conditions of customers.

These conditions are also valid for all future business transaction between the contract partners.

2.) Conclusion of Contracts:

“Offers” from our part are requests for divesture of a customer offer and remain subject to confirmation. A contract only becomes effective, when the offer has been confirmed by us in writing.

This also applies to contract changes or supplements.

3.) Plans, Documents and Design Changes:

We reserve the right for changing designs that do not reduce the effectiveness of the product.

Documents belonging to the offer such as drawings, data sheets, diagrams, plans etc. and the therein contained sizes, measurements, weight details, standards and other technical data will not become part of the contract, unless expressly marked as binding. These documents remain our property; we reserve all rights. In particular they must not be made available to third parties without our written confirmation and must be returned to us without delay upon request at any time. Additional copies must be destroyed upon our request at the latest, however, after the contract has terminated, as far as nothing else has been agreed upon.

4.) Supply and Performance Obligations:

The circumstances as stated in our written confirmation with regard extent, type and time of delivery, apply. With regard to call orders, the agreed part quantities must be called up in time and goods be received.

In case, there is no explicit agreement, then, at the latest after three months upon confirmation of order, we are entitled to request a binding determination. Should the customer not comply with this request within three weeks, then we are entitled, after another unsuccessful deadline of two weeks has expired, to withdraw from the contract or reject the delivery and demand compensation or otherwise to determine our own conditions. Item 25 of these terms applies for the implementation unilaterally.

In case the contract quantity is exceeded by the call orders, then we are entitled to supply the extra quantity, however not obliged to do so. The conditions of the main contract apply with regard the excess quantity, except where the payment is concerned. The price, valid at the time of the call order being requested, is the price to be paid.

5.) Delivery

The time of delivery in the sense of this contract is the time, when the customer receives the information that the ordered goods are ready for despatch at our premises.

6.) Transfer of Risk

The transfer of risks takes place with the delivery as per item 5 of these terms.

7.) Delivery Dates

As far as a delivery date has been named, then this starts with the customer accepting the offer.

In case of - force majeure, delivery delays by our suppliers that we are not responsible for, traffic- or operational disturbance, which we are not liable for, strikes, material- or energy shortages that influence the production process and the finishing of the ordered goods - the delivery dates are out of force, until the restriction has been rectified. Prerequisite for the start of a delivery pause is the date the information about the restriction received by the customer. We are furthermore obliged to inform the customer about the end of the restriction too.

In case fixed delivery dates have been set, then the previous paragraph applies with the condition that the delivery dates are extended by the time between the receipt of restriction by the customer and its rectification. We are still entitled to supply earlier. This cannot, however, happen prior to the date as agreed in the contract.

8.) Cooperation of Client

Our obligation from contracts, especially where delivery times are concerned, remain in abeyance, as long as the customer has not supplied us with the information that is necessary for carrying out the order, such as documents, measurements etc. or we have not been presented with the product related official approvals that may influence the production, from that point in time, when the customer has received our written request for missing information or documents.

In this case the time of delivery starts one week after the receipt by us of such information, documents etc. In case a fixed delivery time has been agreed upon, then we are entitled to extend this period by such a time that corresponds to the period between the correct receipt of the aforementioned date, information, approval etc. as per contract and the actual receipt by us. In case of doubt the date, when the offer has been accepted by the customer, will count as the point in time, when the information should have been received by us. We are still entitled to supply at an earlier date, at the earliest however at the date as agreed in the contract.

This clause does not apply should we be responsible for the delay.

9.) Remuneration

The agreed prices are always Euro-prices, plus additional legal German value added tax of the time of invoicing, which will be shown separately. The prices are to be understood ex works, without delivery and packing, as far as nothing else has expressly been agreed in writing.

10.) Price Adaptation

Increases and recalculation of the agreed final prices are permissible, in case, e.g. increased material-, wages- or energy costs, increase of municipal charges or other, force us to do so and the delivery and performance will take place later than four months after contract conclusion.

11.) Terms of Payment

Payments are due within 14 days, net cash after date of invoice. This does not apply, provided the customer proves that the invoice has been received more than three working days after the date of invoice. Should the invoice date be prior to the delivery, then the payment period starts with the delivery, unless something else transpires in the following.

With the payment term expiring, the customer is in arrears without any further explanation from our side, should the invoice amount not have been credited to our account.

In case of part deliveries we are entitled to set up part invoices.

Cheques and drafts are only accepted with the usual reservation, drafts only with special agreements; and they are considered based on their performance. The effect of strict performance only appears when credited to our account. Discount- and draft expenses are charged to the customer's account. We are not liable for a timely presentation, protesting, notification and return of a dishonoured bill.

All our financial demands from not yet completely fulfilled contractual requirements will become due within one week after relevant information to the customer, in case that he does not honour these payment terms of one of the contracts with us. In such a case we are entitled to carry out still outstanding deliveries only after having received the payment or against relevant securities. We are furthermore entitled to request instalments for contracts that are not ready for despatch, depending on the stage of production, according to the following list:

- 20 % of the contract value of the relevant product when development and design have been finished

a further 40 % after supply of raw material

a further 30 % after individual components have been finished.

In case of not adhering to payment obligations with regard a contract between us and the customer, we are entitled, after an appropriately extended period, to withdraw from other existing contracts and / or demand compensation.

The aforementioned regulation shall also apply, when the customer still meets his obligation, we are, however, aware of circumstances, that reduce the creditability of the customer, e.g. when he has difficulties in paying and especially, when insolvency proceedings have been instituted. Payments will always be credited to the oldest due invoice. The customer is not entitled to any agreed discount, as long as the older invoice has not been completely settled.

Should the delivery take place later than agreed, upon request by the customer, then an instalment/part payment amounting to 80% of the relevant delivery becomes due.

12.) Offset and Right of Retention

The customer can only offset such demands, respectively claim a right of retention for such demands that are undisputed or against which no legal recourse is possible.

13.) Subsequent Amendments to the Contract

Should the customer want to change the contract subsequently, then this is viewed by us as a non-binding request to present an offer. The customer has no claim on this. We shall, however, inform him at once, when we do not consider submitting an offer with regard the changes of the order.

Should we receive such a request for changes, then we are entitled to stop the production of the order, to which these changes are related, already being processed, as long as it takes to conclude the negotiations about possible changes. Delivery times will pause for this period, delivery dates are postponed for the time it takes between the receipt of a request for changes and the final decision, whether they are implemented or not. In case the rest period lasts longer than four weeks, we are entitled even if the changes are not implemented in the end, to adapt our prices of the original contract according to item 10.

14.) Self-Delivery Reservation

Provisions for a correct and on time self-delivery must be left to us.

We shall inform the customer at once should we incur difficulties with our supplies.

15.) Delay

a.) by the customer with regard accepting the subjects of the contract

The customer will be in default with accepting the subject of the contract, in case he has not collected his goods from our premises one week after having received the information acc. to item 5, at the earliest, however, one week after the contractually agreed date of delivery.

For every week of default, the customer will have to pay an additional agreed remuneration of 1% of the contract value for the goods that have not been collected, at the most however, 5% of the contract value of the not collected goods.

b.) Supplier

Should we be delayed with the delivery of the ordered goods by more than one week due to reasons we are responsible for, then the customer can claim damages within the legal frame of regulations. The default damage including subsequent damages is however, limited to 1% of the contract value of the goods, which are delayed through our fault, per week, at the most, however, 5% of the equivalent value. This restriction does, however, not apply to damages to life, body or health of the customer, based on a negligent or intentional violation of obligations from our part, one of our legal representatives or one of our vicarious agents. Furthermore it does not apply to damages that are due to grossly negligent or intentional violations of obligations. The legal rules of evidence remain unaffected by this agreement.

16.) Impossibility

In case of the service being impossible, we are liable in case of an intention or a gross negligence from our part, one of our representatives or an agent, as well as in case of a negligent violation of life, body or health according to the legal regulations. Otherwise our liability is restricted due to the impossibility to a compensation and replacement of expenses incurred in vain to altogether 10% of the value of the performance having become impossible. Further claims by the customer with regard the impossibility of performance are excluded. The customer's right to withdraw from the contract remains hereby unaffected.

17.) Reservation of Title

Supplied subjects remain our property until all claims against the customer from the complete business relationship have been fulfilled.

The customer is permitted to process or rebuild the supplied objects. The processing is done for us; these new objects are our property. Should the value of the goods to be supplied be, however, lower than the value of those goods not belonging to us and used and/or processed, then we acquire a co-ownership of the new goods in relation to the value for the processed supplied goods to the remaining processed goods and/or the processing. Relevant for the determination of values is the time of processing. Upon our request the customer must disclose the value of the processing of goods not belonging to us and/or the processing and to prove to us the mentioned values, as far as there is a legitimate interest from our part. A legitimate interest in particular is then given, in case of payment delays with regard to one of our contracts or there are circumstances that give rise to doubt the creditability of the customer.

The aforementioned regulations are to be applied appropriately, in case there is an inseparable combination of supplied objects with other objects not belonging to us.

As far as we obtain property or co-ownership according to these regulations, then the customer looks after our property respectively our co-ownership on our behalf with the care of a proper merchant.

Should the supplied objects or that of a new product be sold, then the customer transfers his claim for a further sale to his customer with all subsidiary right to us as a security, without there being any further explanations. The transfer of rights is valid including possible current account claims. The transfer does however only apply to the amount that corresponds to the invoiced amount of the supplied goods. The demanded part transferred to us is to be satisfied with priority.

We already accept the transfer or rights herewith as a precaution.

Until being revoked, the customer is entitled to withdraw the transfer of right to us. He will at once transfer received payments up to the demanded secured claim to us. In case of legitimate interests, especially with regard to delayed payments, non-payments, opening of insolvency proceedings, bill of exchange protest or justified reasons for over-indebtedness or the threat of insolvency of the customer, we are entitled to revoke the right of recovery. We are furthermore entitled, after having announced this and by keeping to an appropriate period, to disclose the transfer, to use the transferred claim and to demand the customer to disclose the transfer of right to his customers.

By presenting a legitimate interest, the customer must inform us about the assertion of claims against his customers and hand over to us the necessary documents at least in form of copies. A legitimate interest is especially then given, when the customer defaults with a payment that is due within the scope of our business relationship, or circumstances are apparent that reduce his creditability.

While the reservation of title lasts, the customer is prohibited to neither pledge nor transfer goods of which we have claimed co-ownership. In case of pledge, confiscation or other provisions or actions by third parties, the customer is obliged to inform us immediately.

A selling on of supplied goods or those new goods is only allowed in a proper business transaction. The customer must negotiate with his customer in turn that he will only become owner, at the earliest after having completely settled the invoice.

In as far as the realisable value of all security interests owed to us surpasses the secured interest by more than 10%, then, upon request by the customer, we shall release part of the secured interest. It is presumed that all prerequisites are fulfilled, when the fixed value of the securities we have a claim to, reaches or exceeds 150% of the secured interest. The customer can choose between the different secured interests upon release.

In case of any violations by the customer, especially in case of a delayed payment, we are entitled, even without setting a deadline, to demand the return of the supplied goods respectively the new products. The customer is obliged in this case to follow the demand. Demanding the goods is not equal to a withdrawal from the contract, unless this is expressly declared.

18.) Obligation to Inspect and Notify Defects

§ 377 HGB (trade register) applies to all our deliveries, independent of whether the contracts are specified as works- or sales contracts or contracts for labour and materials. Excluded here from are labour and material specific faults that should not have happened within the scope of a sales contract.

19.) Warranty

The limitation period for defect claims and rights, independent of the legal reason, is one year. This also applies to all damage claims that are connected to the defects, independent of the legal basis of the claim.

Defect claims do not apply to insignificant deviations from the agreed condition or in case of an insignificant impairment of usage.

The aforementioned regulations do not apply in case of an intent or fraudulent concealment of a defect. They are also not applicable for damage claims due to grossly negligent violation of obligations and in such cases, where life, body or health have been violated, or with regard to claims according to the product liability act.

The limitation periods for damage claims apply also to the replacement of such defective subjects.

The limitation period for all claims starts with the supply according to item 5 of these terms.

Should we have to carry out supplementary performance, then we have the right to choose between rectifying the defect and a new delivery. The customer's demand for a supplementary performance must be done in writing. The supplementary performance is considered a failure only after the second unsuccessful attempt.

The expenses necessary for the purpose of supplementary performance are borne by the customer, as far as they occur due to the fact that the contract object had been taken to a place other than his premises, unless the change of location is due to its designed use.

Independent of further claims, the customer has to compensate us for expenses incurred for an unjustified notification of a defect.

A supplementary performance by us incurs a delay of the limitation, however not a new beginning.

20.) Liability for Damages

For damages that have not already been covered by other regulations within these terms, we are liable for cases of intent or gross negligence caused by us or one of our representatives or agent, as well as for violations against life, body or health, according to the legal regulations. Other than that our liability is excluded. This applies to all damages claims, independent of the legal basis; included are also entitlements for replacement of unsuccessful expenses.

A change of burden of proof to the disadvantage of the customer is herewith not connected.

21.) Limitation Period

As far as there are no other regulations within these terms, the claims against us are limited to within a year dating from their occurrence and knowledge by the customer.

22.) Compensation

Should we withdraw from the contract effectively, due to the customer violating his obligations, then we are entitled to compensation, depending on the state of the contract processing at the time of the withdrawal

- at the amount of 20 % of the contract sum since contract conclusion
- of a further 40 % of the contract sum after the supply of raw materials
- of a further 30 % of the contract sum after finishing the individual parts
- of 100 % of the contract sum from finishing the final assembly, as far as we cannot prove another larger damage or the customer declares or proves that a lesser or no damage at all occurred.

23.) Penalty

In case the customer violates one of the main or subsidiary obligations of this contract relationship, that does not refer to the handing over of information to us, the acceptance of the contract objects or settlement of invoices and thus in particular the obligations according to item 3 paragraph 2 of these terms as well as similar obligations, then he is obliged to pay a penalty amounting to 10,000.00 Euros to us for each case of a contravention by renouncing the objection of a continued violation.

This will not affect enforcing damages claims.

24.) Data Protection Clause

The customer agrees that his company related data are stored and processed in our IT-system for the purpose of processing the order.

25.) Contract Amendments

In case we offer the customer an amendment to this contract in writing and in case the customer does not refuse this change within a period defined in our writing, then the offer is viewed accepted. The contract is changed correspondingly. We shall point out to the customer at the beginning of the deadline that keeping silence to the contract amendments will subsequently change the contract.

26.) Applicable Law and Place of Jurisdiction

All contracts concluded with us are subject to the German Law.

Place of jurisdiction for all disputes resulting from contracts signed with us is D - 74821 Mosbach.

27.) Final Provisions

Amendments and supplements to this contract must be done in writing.

This also applies in case the requirement for writing is to be changed.

In case individual regulations should deviate from these terms and the written contract, without prior written agreement, then this does not mean that a silent change of contract will follow with regard the remaining contracts existing between the customer and us.

Should one or several regulations of these terms become ineffective completely or in parts then the rest of the conditions remain unaffected by this and valid. In this case both sides are obliged to replace the ineffective regulations by one that comes closest to that which is replaced both in its sense and purpose.

28.) The German contract text applies exclusively in case of doubt and disputes.