

General Sales Conditions

1. General

- 1.1 These General Sales Conditions (hereinafter referred to as GSC) shall apply to all contracts between the Purchaser and us and they shall apply exclusively, unless the parties have made an individual agreement in writing.
- 1.2 These GSC shall only apply to business transactions with entrepreneurs.
- 1.3 The Purchaser's general terms and conditions shall not apply even if they have not been explicitly objected to. They shall only apply if we have explicitly agreed to them or parts thereof in writing.

2. Conclusion of contract

- 2.1 Our offers to the Purchaser are always subject to change without notice and non-binding. Possible agreements of any kind shall only become a binding contractual basis with our written confirmation. Through the transmission by fax or email the written form shall be complied with.
- 2.2 A binding conclusion of contract shall only be achieved through our order confirmation or the execution of the order.
- 2.3 Samples and brochures shall merely serve as illustrative material. Any information in our sales literature shall only be binding if this is explicitly made a written contractual basis. We explicitly reserve the right to technical and other changes.

3. Delivery

- 3.1 Unless agreed otherwise, deliveries to the Purchaser shall be carried out ex works Lüdenscheid to the place of delivery indicated by the Purchaser.
- 3.2 Partial deliveries are generally admissible as long as they are reasonable for the Purchaser.
- 3.3 The delivery period shall be indicated individually for each conclusion of contract in our order confirmation. These are approximate delivery periods. Upon a non-binding delivery date being exceeded by 5 working

days, the Purchaser shall be entitled to send us a written request to deliver within a reasonable period of time.

If, in an individual case, a binding delivery deadline has been agreed and if we are in default for reasons we are responsible for, the extent of liability will be determined in accordance with clause 7 of these GSC.

- 3.4 If the Purchaser is in default of acceptance or violates any other obligations to cooperate, we will be entitled to request the compensation of any losses incurred including any additional expenses. Upon default of acceptance the risk of accidental deterioration and accidental loss of the item ordered shall be transferred to the Purchaser.

4. Transport

- 4.1 The risk shall be transferred to the Purchaser as soon as the goods have been handed over to the forwarder or have left our factory or warehouse. If the transport costs are borne by us, this provision will remain unaffected. In accordance with clause 6.2 of this contract and in compliance with the special deadlines the Purchaser itself shall have to assert claims on account of transport damage.

- 4.2 Transport and any other packing materials in accordance with the respective regulations shall not be taken back. The Purchaser shall be obligated to dispose of any packing materials at its own expense.

5. Prices

- 5.1 The agreed prices are fixed prices. They shall apply exclusive of VAT, any duties, freight charges, postage, insurances, etc. as well as packing materials. The Purchaser shall be charged separately for the above positions. We reserve the right to raise our prices appropriately if there are cost increases after the conclusion of the contract, particularly due to wage agreements or increases in material prices. We will prove these to the Purchaser on request.

- 5.2 The deduction of a cash discount shall only be possible following previous written agreement within the respective contract.

- 5.3 The payment of the purchasing price shall be due within 30 days from date of invoice. The receipt of the amount in our accounts shall be decisive for the fulfilment. If the Purchaser is in default, we shall be

entitled to request compensation for the damage caused by the default (interest, lawyer's fees, etc.).

- 5.4 We shall have the right to assign receivables from the Purchaser and to have them collected by a third party.
- 5.5 The Purchaser may only set off those claims against us which are undisputed or have been legally established. The exclusion of set-off shall not apply to claims resulting from the withdrawal from the contract.
- 5.6 Independently of the Purchaser's provisions, we are entitled to initially offset payments against older debts at our discretion. The regulation pursuant to sect. 366 para. 1 BGB (German Civil Code) shall be excluded in this case.

6. Warranty for defects

- 6.1 The Purchaser is obligated to examine the delivered goods for defects immediately upon receipt and to inform us in writing without delay.
- 6.2 Obvious damage to packing and goods as well as lacking consistency of the delivered items with the delivery note and the documentation associated with the order must be reported by the Purchaser at the latest within 5 working days from the receipt of the goods. Moreover, any defects of the delivered goods are to be reported using a comprehensive description of the defects as soon as such defects have been discovered in the course of an orderly business practice. In the latter case, the written notice of defects shall also be transmitted by the Purchaser within 5 working days after the defect has been discovered.
- 6.3 We will not accept liability in the case of improper or incorrect use, incorrect or neglectful treatment, improper maintenance, the exposure to chemical or electrical influences and in similar cases. The same shall apply if the operating or maintenance instructions are not adhered to or if parts are exchanged or consumables used that do not correspond to the original specifications.
- 6.4 If there is a deficiency we are responsible for, we will have the right to either rectify the deficiency or to replace the defect item at our discretion.
- 6.6 The above rulings explicitly shall not constitute a change of the burden of proof to the detriment of the Purchaser.

7. Liability

7.1 We shall only be liable in cases of wilful intent or gross negligence as well as culpably caused injury to life, limb or health as legally required. However, in the case of gross negligence the liability shall be limited to typical contractual, foreseeable damage unless there is an exception as defined in the above provision.

In other respects we shall only be liable according to the Product Liability Act or in the event of the culpable breach of cardinal contractual obligations. However, the claim for damages due to the culpable breach of cardinal contractual obligations shall also be limited to the typical contractual, foreseeable damage unless there is one of the already mentioned exceptions at the same time.

7.2 The above provision shall apply to all claims for damages (in particular damages in addition to performance and damages instead of performance) – irrespective of the legal grounds – in particular due to defects, the breach of contractual obligations or unlawful action. This shall also apply to claims for the compensation of futile expenditures. The same shall apply to liability due to delay as well as impossibility of fulfilment.

7.3 The above ruling shall not constitute a change of the burden of proof to the disadvantage of the Purchaser.

8 Force majeure

8.1 Force majeure, labour disputes, riots, official measures and other unforeseeable and severe events shall release the Purchaser and us from our duty to perform for the duration of the disturbance and the scope of its effects.

8.2 To the extent which may reasonably be expected, both the Purchaser and we shall be under obligation in accordance with the principle of good faith to pass on the necessary information and to adapt our obligations to the changed circumstances.

9. Reservation of Ownership

9.1 We reserve title to all goods delivered by us until they have been paid in full. To this effect, all consignments shall be considered to be one joint delivery transaction. In the case of a running account the reservation of

ownership shall also serve as security for any outstanding balance of all liabilities from this business relation. On request we will release the security of the Purchaser insofar as its value exceeds the receivables to be secured by more than 10%.

- 9.2 Within the scope of the proper course of business the Purchaser is entitled to process and/or sell the delivered goods. This shall be carried out for us.
- 9.3 If the delivered goods are inseparably mixed or processed with other objects that do not belong to us, we shall become co-owners of the reserved goods at the ratio of the invoice value to the value of the newly created item. Should the Purchaser sell the goods or the items manufactured from the goods, the receivables resulting from this sale shall, by way of security, be transferred to us – if necessary proportionately. The Purchaser shall assign to us the title to these goods, the legal right to recover possession as well as any compensation claims for loss or damage by way of security. The assignment is accepted as of now.
- 9.4 The Purchaser shall be entitled to collect the receivables transferred to us in its own name. Assignments of receivables to third parties, pledgings, donations, waivers, etc. require our written consent.
- 9.5 Should the Purchaser not meet its payment obligations towards us, we will be able to revoke the collection authority and to request the Purchaser to reveal the assignment to its debtor.
- 9.6 The Purchaser shall notify us in text form of any pledgings or other interventions of third parties without delay.

10. Limitation period

- 10.1 If a delivery item is a used object, the limitation period for claims for damages due to defects – regardless of the legal grounds – is six months, for other claims and rights arising from defects one year. Wherever the delivered item is a new object or an object to be newly produced, the consistent limitation period for claims for compensation based on defects – regardless of the legal grounds – shall be one year.
- 10.2 The limitation periods according to clause 10.1 applying to claims for damages shall apply to all claims for damages against us, which are associated with the defect – irrespective of the legal basis of the claim.

- 10.3 However, the above limitation periods shall apply subject to the following conditions:
- 10.3.1 These limitation periods shall not generally apply in the case of wilful intent or in the event of fraudulent concealment of a defect or if we have assumed a guarantee for the quality of the delivery item.
- 10.3.2 The limitation periods for claims for damages shall not apply either in the event of grossly negligent breach of duty, in the case of culpable breach of cardinal contractual obligations not consisting in the delivery of a defective item, in the case of culpably caused injury to life, limb or health or in the case of claims according to the Product Liability Act. The limitation periods of claims for damages shall also apply to the compensation for fruitless expenditures.
- 10.4 For all claims for damages the limitation period shall begin with the delivery.
- 10.5 Unless expressly provided otherwise, the legal provisions for the beginning of the limitation period, expiry suspension, suspension and the recommencement of periods shall remain unaffected.
- 10.6 The above provisions shall, provided that they also apply to claims for damages, apply correspondingly to claims for damages, which are not related to any defects.
- 10.7 The above ruling shall not constitute a change of the burden of proof to the disadvantage of the Purchaser.

11 Applicable law/Place of jurisdiction

- 11.1 The law of the Federal Republic of Germany shall apply to all legal relations between the Purchaser and us. The application of the United Nations Convention of 11 Apr. 1980 on Contracts for the International Sale of Goods (CISG) as well as the application of the conflict of laws rules of Private International Laws shall be excluded.
- 11.2 Place of fulfilment and place of jurisdiction are Lüdenscheid. However, we shall have the right to institute judicial proceedings at the place of the Purchaser's head office.

12 Further provisions

- 12.1 The correspondence language is German.

- 12.2 Should these GSC be prepared in different languages, the German-language version shall be considered as the authentic one, which shall prevail in any case.
- 12.3 If parts of these provisions are legally invalid or incomplete, the validity of these provisions as a whole will not be affected. The ineffective or invalid provisions shall be replaced by the legal provisions.