

General Conditions of Sale

(September 2014)

Section 1 General information, scope

(1) These General Conditions of Sale (GCS) apply to all our business relationships with our Customers (hereinafter referred to as "Customer"). The GCS shall only apply if the Customer as a company (section 14 of the German Civil Code [BGB]) is a legal entity under public law or a special fund under public law.

(2) Our deliveries and services are performed exclusively according to our GCS. The validity of any deviating general conditions of sale of the Customer is hereby expressly rejected, unless such conditions are recognised by us in writing. Our GCS shall also apply if we carry out the delivery without reservation, with knowledge of the Customer's conditions that conflict with or deviate from our GCS.

(3) Individual, one-off agreements made with the Customer (including supplements, addenda and amendments) shall always take precedence over these GCS. A written contract and/or our written confirmation is required for the content of such agreements.

(4) Legally relevant explanations and notices, which are to be submitted to us by the Customer upon conclusion of the contract (e.g. deadlines, notice of defects, declaration of withdrawal or reduction), must be made in writing to be effective.

Section 2 Conclusion of contract

(1) Our offers are subject to confirmation and are non-binding. This also applies when we provide the Customer with catalogues, technical documentation (e.g. drawings, plans, evaluations, calculations, references to DIN standards), other product descriptions or documents, including those in electronic format, to which we reserve ownership and copyright; these may only be made available to third parties with prior written agreement.

(2) When a goods order is placed, the Customer enters a binding offer of contract. Unless indicated otherwise in the order, we are entitled to accept this offer of contract within two weeks of receipt.

(3) Acceptance can be notified to the Customer either in writing (e.g. through order confirmation) or through delivery of the goods.

Section 3 Prices and payment terms

(1) Unless indicated otherwise in the order confirmation, all prices are based on the acceptance of whole shipping units, net ex works or ex warehouse, plus the applicable statutory VAT.

(2) In general Payments are due with issuing date of the invoice. Payments will always be allocated to settle the oldest account due.

(3) If the above payment deadline passes, the Customer is considered to be in arrears. In the event that the Customer is in arrears, the purchase price shall accrue interest at a rate of 9 percentage points above the respective base rate. We reserve the right to assert further claims at any time due to arrears, including claims according to section 288 para. 5 of the BGB. With regard to traders, our right to commercial maturity interest (section 353 of the German Commercial Code [HGB]) remains unaffected.

(4) For a sale by delivery to a place other than the place of performance, the Customer shall bear the shipping costs from the warehouse and the costs of any shipping insurance required. Any duties, fees, taxes or other public charges shall be borne by the Customer.

(5) Packaging is charged for at cost.

(6) The Customer shall have a right of set-off or right of retention only insofar as its claim has been established as final and absolute or is undisputed. In the event of defects in the delivery, the Customer's reciprocal rights shall remain unaffected, specifically in accordance with section 5 of these GCS.

(7) Should it become clear upon conclusion of the contract that our claim to payment of the purchase price is at risk due to the Customer's lack of financial capacity (e.g. an application to commence insolvency proceedings), we are entitled to withdraw from the contract – if applicable according to the deadline – in accordance with the statutory regulations on refusing performance. For contracts relating to the manufacture of unwarranted goods (custom-made items), we may declare our withdrawal immediately; the legal provisions relating to the dispensability of the deadline remain unaffected.

Section 4 Delivery time and late delivery

(1) Delivery deadlines are agreed individually or indicated by us upon acceptance of the order. If this is not the case, the delivery deadline will be approx. three weeks from the conclusion of the contract.

(2) In the event that we are unable to meet binding delivery deadlines for reasons beyond our control (non-availability of the service), we shall inform the Customer of this immediately and also of the new, expected delivery deadline. If the service is then not available within the new delivery deadline, we are entitled to withdraw from the contract, either in full or in part; we will immediately refund any return service provided by the Customer. A case of non-availability of the service in this sense, would in particular be the late delivery to us by our supplier if we have concluded a congruent covering transaction, neither us nor our supplier are at fault or we do not have a duty to supply in an individual case.

(3) The occurrence of late delivery by us is based on legal provisions. The Customer must provide a reminder in each case, however. If our delivery is late, the Customer can request lump sum compensation for the damages caused by the delay. The damage lump sum for each full calendar week of delay amounts to 0.5% of the net price (delivery value), however, totalling no more than 5% of the delivery value of the goods subject to late delivery. We reserve the right to prove that the customer has suffered no damage or significantly less damage than the aforementioned lump sum.

(4) The Customer's rights in accordance with sections 5, 6 of these GCS and our legal rights in particular in the event of an exclusion of the obligation to perform (e.g. due to impossibility or unacceptability of the delivery and/or subsequent fulfilment) remain unaffected.

Section 5 Delivery, passing of risk, acceptance, default of acceptance

(1) The delivery is made ex warehouse, which is also the place of performance. Upon request by and at the cost of the Customer, the goods will be shipped to a different destination (sale by delivery to a place other than the place of performance). Unless agreed otherwise, we are entitled to determine the type of shipment (in particular forwarding agent, shipment route, packaging) ourselves.

(2) The risk of possible loss and possible deterioration of the goods is transferred to the Customer at the handover stage at the latest. In the event of sale by delivery to a place other than the place of performance, however, the risk of possible loss or of possible deterioration of the goods and the risk of delay is transferred earlier, at the delivery stage of the goods, to the forwarding agent, the freight carrier or other person nominated to carry out the dispatch. Should acceptance be agreed, this is authoritative for the transfer of risk. The same applies for handover/acceptance if the customer is in default of acceptance.

(3) The Customer is not permitted to refuse acceptance of the goods due to minor defects.

(4) If the Customer is in default of acceptance, fails to cooperate or if our delivery is delayed due to other reasons for which the Customer is to blame, we are entitled to request reimbursement for the damages caused by this including additional expenditure.

Section 6 Warranty

(1) The provisions of the law apply to the rights of the Customer in the event of material defects and defects of title (including incorrect and short-fall in delivery), insofar as nothing is stated to the contrary below.

(2) Our liability for defects is based above all on the agreement concluded on the condition of the goods. If no condition has been agreed, statutory rule must be used to determine whether or not a defect is present. We shall not accept liability for any public statements. Defects do not include natural wear and tear or damage that occurs after the transfer of risk due to incorrect or negligent operation, excessive strain or damage that occurs due to specific external factors that are not presupposed by the contract.

(3) The Customer's claims for defects assume that the Customer has fulfilled its legal duties to inspection and objection. In the event that a defect is found upon inspection or at a later stage, we must be notified of this immediately in writing. The notification is deemed immediate if it is made within two weeks, whereby the deadline is considered met if the notifica-

tion is sent off in time. Irrespective of this duty to inspection and objection, the Customer must notify us in writing of obvious defects (including incorrect and shortfall in delivery) within two weeks of delivery, whereby the deadline is also considered met if the notification is sent off in time. If the customer fails to carry out the correct inspection and/or defect notification, we shall not be liable for any defects that are not notified to us.

(4) If the delivered goods are faulty, the Customer may initially request rectification of the defect (sub-sequent improvement) as the subsequent fulfilment, unless the delivery of defect-free goods (subsequent delivery) is absolutely necessary for the Customer and can be carried out by us at reasonable costs. We must be given suitable time and opportunity for the subsequent fulfilment. If this option is rejected, we shall be released from subsequent fulfilment and further claims for defects.

(5) We are entitled to make the owed subsequent fulfilment dependent upon the Customer paying the purchase price due. However, the Customer is entitled to be refunded an appropriate share of the purchase price in relation to the defect.

(6) The expenditure required for the purpose of inspection and subsequent fulfilment, in particular the costs of transport, travel, work and materials (not dismantling and assembly costs) shall be borne by us if a defect does, in fact, exist. However, if a Customer request to rectify a defect is deemed unjustified, we may request that the Customer pays for the costs incurred for this.

(7) If the subsequent fulfilment fails or a reasonable deadline set by the Customer for the subsequent fulfilment passes without success or is legally superfluous, the Customer may withdraw from the sales agreement or reduce the purchase price. A right to withdraw does not exist in the event of minor defects.

(8) Customer claims for compensation for damages exist only in accordance with section 7 and are otherwise excluded.

Section 7 Other liability

(1) Insofar as nothing else arises from these GCS including the following provisions, we shall be liable in the event of a breach of contractual and non-contractual duties in accordance with the applicable statutory provisions.

(2) We shall be liable for compensation for damages – for whatever legal reason – in the case of intent and gross negligence. In cases of minor negligence we shall only be liable

a) for damages arising from injury to life, body or health

b) for damages arising from the breach of an essential contractual duty (an obligation where fulfilment is essential to the proper carrying out of the contract and which the contracting partner often relies on and may rely on); in this case, however, our liability is restricted to reimbursement of foreseeable, typically occurring damage.

(3) The liability restrictions of para. 2 do not apply if we have maliciously concealed a defect or have adopted a warranty for the condition of the goods. The same applies for Customer claims according to the German Product Liability Act (Produkthaftungsgesetz).

(4) In the event of a breach of duty that does not produce a defect, the Customer may only withdraw from or terminate the contract if we are responsible for the breach of duty. The Customer's free right to termination is excluded.

Section 8 Reservation of title

(1) We reserve the title of ownership of the goods sold until full payment of all our current and future claims from the sales agreement and an ongoing business relationship (secured claims) has been made.

(2) The goods under reservation of title may not be pledged to third parties or reassigned by way of security until the secured claims have been paid in full. The Customer must notify us immediately in writing if and the extent to which third parties attempt to seize the goods belonging to us.

(3) Should the Customer act in breach of contract, specifically in the event of non-payment of the purchase price due, we have the right, according to legal provisions, to withdraw from the contract and to demand the return of goods based on the reservation of title and the withdrawal. If the customer does not pay the purchase price due, we may only assert these rights if we have given the customer a reasonable time frame in which to

make the payment and payment has not been made or such a dead-line is superfluous according to the legal provisions.

(4) The Customer is authorised to sell and/or process the goods subject to reservation of title in the course of normal business. In this case, the following provisions shall also apply.

(a) The reservation of title extends to the products created through processing, mixing or connecting our goods, at their full value, with us as the manufacturer. If, in the event of processing, mixing or connecting with third-party goods, their reservation of title remains, we shall acquire joint ownership with regard to the invoice value of the processed, mixed or connected goods. In addition, the resulting product is subject to the same conditions as the goods delivered under reservation of title.

(b) The Customer hereby assigns to us, by way of security, any and all claims against third parties from the resale of goods or products in full and to the extent of any joint ownership in accordance with the preceding paragraph. We hereby accept the assignment. The Customer's duties set out in para. 2 also apply in view of the assigned claims.

(c) The Customer shall remain entitled to collect the claim alongside us. We undertake not to collect the claim provided the Customer fulfils its payment obligations towards us, does not run into arrears, has not filed an application to commence insolvency proceedings and shows no other lack of financial capacity. However, should any of these apply, we may request that the Customer informs us of the asserted claims and their debtors, provides all the information required for collection, surrenders all related documentation and informs the debtors (third parties) of the assignment.

(d) If the achievable value of the securities exceeds our claims by more than 10%, upon request by the Customer we will release securities of our choice.

Section 9 Statute of limitation

(1) Notwithstanding section 438 para. 1 no. 3 of the BGB, the general statutory period of limitation for claims from material defects and defects of title is one year from delivery. Provided acceptance has been agreed, the statute of limitation commences at the time of acceptance.

(2) Special legal regulations shall remain unaffected for third-party claims for return in rem (section 438 para. 1 no. 1 of the BGB), in cases of fraudulent intent (section 438 para. 3 of the BGB) and for claims of recourse against the supplier in final delivery to the consumer (section 479 of the BGB).

(3) The above statutory periods of limitation of the law governing the sale of goods also apply to contractual and non-contractual Customer claims for damages that are based on goods defects, unless the application of the standard statute of limitation (sections 195, 199 of the BGB) would lead to shorter statute of limitation in an individual case. The statutory periods of limitation of the German Product Liability Act remain unaffected in each case. Otherwise, the statutory periods of limitation apply exclusively for Customer claims for damages.

Section 10 Choice of law and place of jurisdiction

All legal relationships are subject to the law of the Federal Republic of Germany. The United Nations Convention on Contracts for the International Sale of Goods does not apply. Insofar as the Customer is a registered trader or a legal entity under public law, the place of jurisdiction shall be our place of business; however, we have the right to also take legal action against the Customer at its place of residence.