

General Terms of Sale (Status: January 2016)

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I. Scope, Offers

- These General Terms of Sale shall apply to all contracts concluded now and in the future with entrepreneurs and companies, legal entities under public law and special public law funds for the supply of goods and services, including works contracts and non-fungible items. The Customer's terms of purchase shall not be recognized even if we do not expressly reject them on receipt.
- Our offers are subject to amendment. Oral agreements, commitments, assurances and guarantees given by our staff in connection with the conclusion of a contract shall only become binding when confirmed in writing.
- In doubtful cases, the latest version of the INCOTERMS shall be decisive when interpreting trade terms.
- All information such as measurements, weights, illustrations, descriptions, installation sketches, price lists and other printed material is only approximate, albeit established as precisely as possible; it is therefore non-binding. Models and drawings shall remain our property.

II. Prices

- Prices are quoted ex works plus freight and value added tax.
- The prices valid at the time the contract was concluded shall apply insofar as no alternative is agreed.
- We reserve the right to increase the prices of quantities not yet delivered should changes in the raw materials/economic situation occur making the manufacture and/or purchase of the product in question considerably more expensive than at the time the prices were agreed. In such cases, the Customer may cancel the relevant orders within two weeks of receiving notification of the price increase.

III. Payment and Offsetting

- Insofar as no alternative is agreed or stipulated in our invoices, the payment price shall be paid immediately upon receipt with no cash discount and in such a way that we have the amount at our disposal on the due date. The Customer shall bear the cost of the payment transaction. The Customer may only offset receivables which are uncontested or have been legally recognized as final and absolute against the invoice amount; the same shall apply when exercising rights of retention.
- If the customer misses the payment deadline or defaults on payment, we shall charge interest at a rate amounting to 8% above the base rate of the European Central Bank insofar as no higher interest rates have been agreed. We reserve the right to claim further compensation for damages incurred through the Customer's default.
- The Customer shall be deemed to have defaulted on payment ten days after the due date of our receivable, irrespective of whether a reminder has been sent.
- If it becomes evident after concluding the contract that our payment claim is at risk due to inadequate capacities on the Customer's part, we shall be entitled to exercise our rights as per § 321 BGB (German Civil Code). In such cases, we shall also be entitled to call for immediate payment of all unexpired receivables due to us from our current business relationship with the Customer. This plea of uncertainty shall also extend to all other trade receivables due to us from our relationship with the Customer.
- Agreed cash discounts shall invariably apply solely to the invoice value and are conditional on complete settlement of all the Customer's liabilities at the time the cash discount is applied. Cash discount deadlines shall commence as of the invoice date insofar as no alternative has been agreed.
- We are entitled to offset all receivables due to us from the Customer against any receivables due from us to the Customer, irrespective of the legal grounds.

IV. Securities

We are entitled to request securities of the customary nature and scope for our receivables, also insofar as they are conditional or limited.

V. Order Execution, Delivery Deadlines and Delivery Dates

- Our delivery obligation is subject to the punctual receipt of correct deliveries from our own suppliers, insofar as we are not culpable for late and/or incorrect deliveries.
- The delivery period shall be defined according to the agreements concluded by the contractual parties. Our compliance with these presupposes that all technical and business-related issues between the contractual parties have been clarified and the Customer has fulfilled all his obligations, e.g. provided all official certification, issued letters of credit or guarantees, made down-payments, provided necessary technical drawings/technical specifications, filled in and returned enquiry forms, stipulated product requirements and specifications, etc.
- The time at which the consignment is dispatched from the factory or warehouse is decisive for ascertaining compliance with delivery dates and deadlines. They shall be deemed to have been complied with when the Customer is notified that they are ready for dispatch, even if the goods cannot be dispatched punctually through no fault of our own.
- If our non-compliance with the delivery date or deadline is due to force majeure, labor disputes or other events outside our sphere of influence, we shall be entitled to postpone dispatch for the duration of the disruption plus an appropriate restarting period. We shall notify the Customer as soon as possible of the beginning and end of such circumstances. Should the events described above cause execution of the contract to be postponed for a period which either of the parties cannot be reasonably expected to accept, in particular if the execution of major parts thereof is delayed for more than six months, the party concerned may announce his withdrawal from the contract.
- In the event of non-compliance with delivery deadlines, the Customer shall only be entitled to assert his rights as per §§ 281, 323 BGB if he previously set us an appropriate delivery deadline together with a declaration that he shall refuse acceptance of the consignment when it arrives; if this deadline expires without result, his right to fulfillment shall be excluded.
- Should the Supplier default on delivery and the Customer suffer damage as a result, the Customer shall be entitled to claim compensation from us at a flat rate on providing evidence of the damage incurred. This flat rate shall amount to 0.5% for each full week of delay but shall not add up to more than 5% of the value of that part of the consignment which cannot be used punctually or contractually as a result of the delay. Contractual fines imposed by the Customer shall not be recognized. Section XI. shall remain unaffected.
- The Customer may withdraw from the contract without setting a deadline if it becomes impossible for us to deliver the entire of consignment before the transfer of risk. The Customer may also withdraw from the contract if delivery of part of an ordered consignment becomes impossible and he has a justifiable interest in refusing the part-consignment. If this is not the case, the Customer shall pay that part of the contractual price due for the part-consignment. The same shall also apply in the event of incapacity on our part. Otherwise section IX. shall apply.

VI. Retention of Title

- All goods delivered shall remain our property (reserved goods) until all receivables have been paid in full, in particular the account balance due to us in connection with the business relationship and any receivables established unilaterally by an insolvency administrator as being due to us by choice of performance. This shall also apply to conditional receivables which originate in the future and also when payments are made in settlement of specially designated claims. This right of retention shall finally expire when all receivables open at the time of payment (account balances) have been settled in full. We are entitled to assign any payment claims due to us from the Customer.
- If our ownership of the goods expires due to combination or mixing, the Customer shall now assign property rights to the new inventory or articles equivalent to the invoice value of the reserved goods and keep them for us free of charge. Our co-ownership rights shall be deemed reserved goods as per no. 1.



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3. The Customer may only sell the reserved goods in ordinary business transactions at his standard terms and provided he is not in default; when doing so, he must retain the title and assign the receivables from future sales of the reserved goods to us as per no. 4 to no. 6. He shall not be entitled to dispose of the reserved goods in any other way. Further sale as per section VI of these Terms is also understood to comprise the use of the reserved goods to execute works contracts.
4. All receivables from future sales of the reserved goods shall now be assigned to us together with any collateral acquired to secure the receivables. They shall serve as security to the same extent as the reserved goods. If the Customer sells the reserved goods together with other goods not sold by us, the proportion of the receivable equivalent to the invoice value of the reserved goods shall be assigned to us. When selling goods in which we hold co-ownership rights as per no. 2, a equivalent proportion of the receivable shall be assigned to us.
5. The Customer shall be entitled to collect the receivables from his further sales. This entitlement shall expire if revoked by us, and no later than any point at which the Customer defaults, a bank draft issued by him cannot be cashed or insolvency proceedings are opened on his assets. We shall only exercise our right of revocation if it becomes evident after concluding the contract that our payment claims from this or any other agreement with the Customer are at risk because he is unable to pay. The Customer shall undertake to notify his customer of the assignment immediately and to give us the necessary collection documents at our request.
6. Receivables from further sales may not be assigned in any other way.
7. The Customer shall notify us immediately if the goods are pledged or influenced in any other way by a third party. The Customer shall bear the costs incurred to rescind the pledge or return the reserved goods insofar as they are not reimbursed by the third party. In the event of any breach of contract on the Customer's part, in particular default on payment, we shall be entitled to reclaim the reserved goods after issuing a reminder, and the Customer shall be obliged to hand them over to us. Returning the goods does not constitute withdrawal from the agreement. Any application to open insolvency proceedings shall entitle us to withdraw from the contract and request immediate return of the reserved goods.
8. Should the invoice value of the existing securities exceed the value of the secured receivables (including ancillary receivables) by more than 50%, we shall undertake to release corresponding securities at our discretion when requested to do so by the Customer.

VII. Qualities, Measures and Weights

In the absence of any agreement, qualities and measures shall be determined as per the DIN or material specifications valid at the time the contract was concluded, or as customary in the sector if these do not exist. Deviations in quality, measures and weights are only permissible as per the DIN or valid regulations.

VIII. Acceptance

1. If an acceptance procedure has been agreed, this may only be performed in our factory immediately after the Customer has been notified that the goods are ready for acceptance. The Customer shall bear the costs of personal acceptance; material acceptance costs shall be invoiced to the Customer as incurred.
2. Should the acceptance procedure not be performed punctually, completely or at all on grounds which are not our responsibility, we shall be entitled to dispatch the goods without acceptance or store them at the Customer's risk and expense, invoicing him accordingly.

IX. Dispatch/Transfer of Risk/Packaging/Partial Delivery

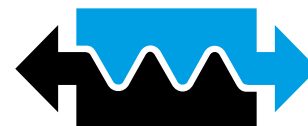
1. We shall determine the means and method of dispatch, the carrier and the freight forwarder.
2. Goods to be sent free of charge as per the terms of the contract must be called for immediately. Otherwise, we shall be entitled to dispatch or store them at the Customer's risk and expense after issuing a reminder and to invoice him both the goods and the storage fees. The statutory regulations on delayed acceptance shall be unaffected.
3. Should transport of the goods on the scheduled route to the scheduled destination within the scheduled time be rendered impossible on grounds for which we are not responsible, we shall be entitled to deliver them using another means or to a different destination; the additional expense shall be borne by the Customer. The Customer shall be given the opportunity to express his opinion beforehand.
4. The risk, also of the goods being confiscated, shall pass to the Customer when the goods are handed over to the carrier or freight forwarder and no later than the time at which they leave the factory; this shall apply to all transactions. We shall only obtain insurance cover if so requested by the Customer and at his expense. The Customer shall be responsible for unloading obligations and expenses.
5. The goods shall be delivered unpacked,
6. We shall be entitled to deliver part-consignments as deemed reasonable. The short shipments and surplus quantities customary in the sector are permissible.

X. Liability for material defects

1. The goods shall be deemed to fulfil the terms of the contract if they do not vary or vary only insignificantly from the agreed specifications at the time the risk is transferred. Our goods' contractual compliance and freedom from defects shall be established solely in accordance with the agreements concluded with regard to the quality and quantity of the goods ordered. We shall only accept liability for a specific purpose or suitability if this is expressly agreed; otherwise, any risk pertaining to use or suitability shall be borne by the Customer. We shall not be liable for the deterioration or destruction of goods handled incorrectly after the transfer of risk.
2. The express agreement of any purpose or specifications does not constitute a guarantee; guarantees must be made in writing.
3. The Customer shall inspect the goods immediately upon receipt. Claims for defects shall only be recognized if we are immediately notified thereof in writing, in any case no later than seven days following delivery. Hidden defects must be reported in writing immediately after discovery, in any case before expiry of the agreed or statutory limitation period.
4. Should the goods turn out to be defective despite taking all due care, and should the defect already have been present at the time the risk was transferred, we shall repair or replace them at our discretion – while taking the Customer's wishes into account – provided we have been punctually notified of the defect. If the defect is only minor, the Customer shall only be entitled to claim a discount. If we fail to repair the goods within an appropriate period of time, the Customer may set us an appropriate deadline; if this passes without result, he may either reduce the purchase price or withdraw from the contract. No further claims shall be recognized. Section XI shall remain unaffected.
5. Should a defect of title exist, we shall be entitled to remedy it within two weeks of receiving the goods. Otherwise, no. 4 shall apply as appropriate.
6. We may refuse to repair the goods if the repair costs would be disproportionately high. Repair costs are usually deemed disproportionate if the direct costs including the necessary expenditure exceed 150% of the final invoice amount (excluding VAT) for the defective item. Costs associated with dismantling and installing the defective goods are excluded, as are costs incurred by the Customer when repairing the goods himself, irrespective of whether the relevant legal conditions are fulfilled. We shall not bear costs incurred due to the goods sold having been transferred to a location other than the agreed place of fulfillment unless this corresponds to their contractual use. All liability is specifically disclaimed in the following cases: incorrect or inappropriate use, incorrect installation or commissioning by the user or a third party, natural wear and tear, incorrect or neglectful treatment, incorrect maintenance and inappropriate operating resources – insofar as we are not responsible for these.
7. Claims for defects found after the performance of an agreed acceptance procedure are excluded in cases where they could have been found during the said procedure.
8. When making a complaint, the Customer shall give us the immediate opportunity to inspect the goods which are the subject thereof. The defective goods shall be made available to us at our expense when so requested. In the case of unjustified complaints, we reserve the right to invoice inspection costs, freight and handling charges to the Customer.
9. Recourse claims asserted against us by the Customer as per § 478 BGB shall be limited to the legal scope of the third-party defect claims made against the Customer, and are conditional on the Customer having met his obligation to notify us of defects as per § 377 HGB (German Commercial Code).

XI. General disclaimer and limitation

1. Insofar as no alternative is stipulated in these Terms, we shall only be liable to the Customer for violations of contractual and extra-contractual obligations, particularly inability to deliver, delays, culpable behaviour when concluding the contract and inadmissible activity, in cases of wilful intent or gross neglect on the part of our legal representatives and auxiliaries or in the case of culpable breaches of major contractual obligations. In the event of culpable breaches of major contractual obligations, we shall only be liable – except in cases of wilful intent or gross neglect on the part of our legal representatives and auxiliaries – for predictable damage typical for this type of contract. Otherwise, we disclaim all liability, also for defects and damage resulting from defects.
2. These limitations shall not apply in the case of culpable breaches of major contractual obligations insofar as there is a risk that the purpose of the contract cannot be fulfilled as a result, in cases of compulsory liability as per the Product Liability Act, in cases of damage to life, limb or health, or in cases where we deliberately conceal defects or guarantee the Customer that no such defects exist. This does not affect the regulations governing the onus of proof.



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3. Insofar as no alternative has been agreed, defect claims and contractual claims originating from and connected with the delivery of the goods and asserted by the Customer against us shall expire one year after delivery of the goods. The statutory limitation periods for goods which have been used for construction work as per their customary purpose and have become defective as a result shall remain unaffected. Moreover, sentence 1 shall not apply in cases of gross neglect, wilful intent, injury to life, limb or health and fraudulent concealment of a defect. The limitation period does not begin anew if the goods are repaired or replaced.

XII. Export Certificates, Sales Tax

1. Should a customer domiciled outside the Federal Republic of Germany (foreign customer) or his representative collect goods and transport them to a third country, the Customer shall send us the export certificate required for tax purposes. If this certificate is not provided, the Customer shall pay the sales tax applicable in the Federal Republic of Germany on the invoice amount insofar as we are able to claim tax exemption on deliveries abroad.
2. If consignments are to be sent from the Federal Republic of Germany to other EU member states, the Customer shall notify us of the sales tax identification number under which he pays tax on intra-community acquisitions before delivery. Otherwise he shall pay the sales tax legally due from us in addition to the agreed purchase price.

XIII. Place of Fulfillment, Place of Jurisdiction, Applicable Law

1. In the case of deliveries ex works, the place of fulfillment for our deliveries shall be the factory from which they are dispatched. The place of fulfillment for the Customer's payment obligation and the place of jurisdiction for both parties shall be our company headquarters. We are also entitled to file a lawsuit against the Customer at his competent court.
2. The material law of the Federal Republic of Germany shall apply, excluding the "United Nations Convention on the International Sale of Goods (CISG)" dated April 11, 1980.
3. Should any term in these General Terms of Sale be or become invalid, the validity of the other terms shall remain unaffected.