

## General terms and conditions of sale and delivery

### § 1 Scope

Our terms and conditions of sale and delivery apply exclusively, with which our customer, purchaser or buyer (hereinafter jointly referred to as "customer") agrees to upon placing the order; they shall apply to all future transactions, without requiring further special reference, in case the customer received an order confirmed by us. The inclusion of general terms and conditions of purchase or other general terms and conditions of the customer is hereby explicitly rejected. This shall apply also in case the customer refers to their own terms and conditions; even in case they contain protective and/or exclusivity clauses that we do not explicitly object to; regardless of chronological order in which competing terms are referred to by the contractual partners, unless agreed to in writing. In case the order is placed in deviation from our GT&C of sale and delivery, then only our GT&C of sale and delivery shall apply, even if we do not object. Deviations therefore only apply in case they have been explicitly recognized by us in writing.

### § 2 Conclusion of Contract

1. Our offers are subject to change and non-binding. An order by the customer shall constitute a binding offer. We can accept this offer at our discretion, within four weeks, either by sending an order confirmation or the goods.
2. Scope of delivery is based on our written confirmation. This also applies in case service owed by us is to be carried out according to the customer's specifications, in particular according to a drawing originated from the customer. A reference on our part to DIN/ISO regulations and other regulations is a performance description; not an assurance of properties.
3. In case justified doubts arise about the customer's creditworthiness, we are entitled to refuse delivery until security is provided or cash payment is promised upon delivery. In case the customer is not willing to provide security or cash payment despite being requested to do so within a reasonable period of time, we are entitled to withdraw from the contract. Any claims for damages remain reserved.
4. Verbal information and promises from our side are only binding in case and insofar as confirmed in writing or correspondence by sending the goods and invoice.
5. Declarations regarding quality of goods contained in the order confirmation and/or other documents exchanged between both contractual partners, shall not constitute a guarantee as defined in § 276 Paragraph 1 BGB; nor do they represent an independent guarantee, unless this is explicitly determined and stated by us.
6. In case of obvious errors, spelling errors and miscalculations in documents submitted by us, we shall not be held liable. The customer is obliged to inform us of such errors, so that our order confirmation or invoice can be corrected. This shall apply to missing documents as well.
7. The order number, customer number and invoice number listed in our order confirmation or invoice, shall be stated when paying the invoice and in all correspondence of the customer that relates to the order.

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8. In case of a modified declaration of acceptance by the customer, the customer is obliged to explicitly refer to the changes in content. In case no such reference has been made, our previous version shall apply.
9. The customer shall immediately provide us with any sales tax evidence upon request, for abroad and intra-community deliveries.

### **§ 3 Long-term and call-off Contracts**

1. Open-ended contracts may be terminated with a notice period of 6 months.
2. Each contractual partner is entitled to negotiate an appropriate adjustment of price in the event of change of cost, due to significant change in wages, material prices, or energy cost; in case of long-term contracts (contracts with a term of more than 12 months and open-ended contracts).
3. In case a binding order quantity has not been agreed upon, we shall base our calculation on the non-binding order quantity (target quantity) expected by the customer for a certain period of time. In case the customer purchases less than the target quantity, we are entitled to increase the unit price appropriately. In case the customer buys more than the target quantity, we will reduce the unit price appropriately; provided the customer has announced additional requirements at least 6 months before delivery.
4. In case of call-up delivery contracts, unless otherwise agreed upon, we must be notified of binding quantities by call-up at least 3 months before the delivery date. Additional costs caused by a late call-up or subsequent changes to the call-up in terms of time or quantity caused by the customer are at his expense; our calculations are decisive.

### **§ 4 Cancellation Fees**

In case the customer withdraws from an order placed without justification, we can demand 10% of the sales price for costs incurred by processing the order and lost profits, without prejudice to the possibility of asserting higher actual damages. The Customer retains the right to prove lower damages.

### **§ 5 Prices, Price Changes**

1. Our prices do not include statutory VAT and do not include packaging nor shipping costs.
2. Unless otherwise stated in the order confirmation, our prices apply ex works.
3. Price changes are permitted in case there are more than four months between conclusion of contract and the agreed delivery date. In case wages, raw material prices, other material costs, customs duties, taxes or other levies and freights increase or decrease by the time the delivery is completed; or in case these are newly introduced, we are entitled and obliged to adjust the price appropriately, taking these factors into account. This shall also apply in case a fixed price has been agreed upon. The customer may cancel the purchase only in case of a significant price increase, that exceeds the increase in general living expenses between order and delivery date. In case that the customer is a merchant, a legal entity under public law or a special fund under public

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law, price changes are permitted in accordance with the aforementioned regulations, if there are more than six weeks between the conclusion of contract and agreed delivery date.

4. Agreed prices only apply to the respective order. In absence of other agreements, these prices are non-binding for repeating orders.

### § 6 Terms of payment, Set-off, Assignment

1. Purchase prices or remuneration, as well as fees for additional services shall be paid within 8 days of the invoice date; subject to other agreements. Insofar we are entitled to partial performance, these can also be asserted and made due within a uniform delivery contract by means of partial invoices.
2. Fulfilment only occurs upon receipt of payment on our account.
3. Payment instructions, checks and bills of exchange are only accepted on account of performance. The acceptance of bills of exchange always requires our prior written approval. If bills of exchange are accepted, the bank discount and collection expenses will be calculated from the day the invoice amount is due. They shall be paid immediately in cash. A guarantee for timely presentation of bills of exchange and checks as well as for protesting bills of exchange is excluded.
4. Discount deductions, if agreed separately in writing, are only permitted in case there are no arrears in payment from the entire business relationship.
5. We are entitled to initially offset payments against the customer's old debts. In case costs and interest have already been incurred, we are entitled to offset payments first against costs, then against interest and finally against the main service.
6. The customer is only entitled to offset against our claims with undisputed or legally established counterclaims.
7. In case defects are found, the customer is only entitled to withhold the purchase price to a reasonable extent, in view of the defects.
8. We reserve the right to only deliver the goods after payment by the customer or to provide services in case the customer has not complied with the agreed terms of payment for previous deliveries or services; or there are still arrears of payment from these; or the customer's ability to pay is in question.
9. Irrespective of the term of any accepted and credited bills of exchange, all claims are due immediately in case the terms of payment are not complied with or in case we become aware of circumstances that are objectively suitable for reducing the customer's creditworthiness. We are then also entitled to carry out outstanding deliveries only against advance payment and to withdraw from the contract, after a reasonable period of grace; or to demand compensation for non-performance. We may also prohibit resale and processing of delivered goods and demand their return or transfer of indirect ownership of delivered goods at the expense of the customer; and revoke direct debit authorization in accordance with § 8 No. 5.

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10. If, for whatever reason, difficulties should arise with the transfer of the invoice amount to the Federal Republic of Germany, the resulting disadvantages shall be borne by the customer. In case of sales in a foreign currency, the customer bears the exchange rate risk from the moment the contract is concluded. If the agreed payment method or method of payment cannot be adhered to, the customer is obliged to make the payments at our discretion.
11. We are entitled to assign claims from our business relations.

### **§ 7 Delay**

1. The customer is in delay in case payment is not made by the date specified in the contract or does not pay when we send a reminder after the purchase price is due. The legal regulation according to which the debtor is automatically in delay 30 days after receipt of an invoice remains unaffected.
2. In case the customer is in arrears with any payment obligations towards us, all existing claims become due immediately.
3. In case the customer delays on payment, we are entitled to demand interest of 5 % above base interest rate from the due date. In case of legal transactions in which a customer is not involved, we are entitled to demand interest of 9% above the base interest rate. The legal regulation, according to which higher interest can be demanded for another legal reason and assertion of further damage, remain unaffected. In the event of a delay in payment, after written notification to the customer, we can stop fulfilling our obligation until we have received the payments.

### **§ 8 Retention of Title**

1. All delivered goods remain our property (reserved goods) until all claims have been settled, in particular the respective balance claims to which we are entitled from the delivery relationship. This shall also apply in case payments are made on specially designated claims.
2. The goods delivered under retention of title are to be treated with care.
3. The customer is only entitled to resell reserved goods in the ordinary course of business in case the customer hereby assigns all claims to the seller that accrue from the resale against buyers or third parties. In case goods subject to retention of title are sold unprocessed or after processing or combination with items that are exclusively property of the customer, the customer hereby assigns the full amount of claims arising from the resale to the seller. In case reserved goods are sold by the buyer - after processing/combination - together with goods that do not belong to the seller, the buyer hereby assigns the claims arising from the resale in the amount of value of the reserved goods with all ancillary rights and priority over the rest. The Seller accepts the assignment. The buyer is authorised to collect these claims even after assignment. The seller's authority to collect the claims himself remains unaffected by this; however, the seller undertakes not to collect the claims as long as the buyer duly meets his payment and other obligations. The seller can demand that the buyer informs him of assigned claims and their debtors, provides all information required for collection, hands over the relevant documents and informs the debtors of the assignment.

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4. In case the customer is entitled to collect the claim in trust in ordinary course of business or remains with our consent, the collection must be made to a separate bank account from other business accounts, which is held in trust for us. The customer must take all necessary and reasonable measurements to ensure that the third party does not make the payment to another account. The customer is obliged to transfer us any amounts received from assigned claims. Upon request, the customer is obliged to provide evidence of establishment of a trustee-bound account for the third-party funds collected.
5. The customer's right to collect the claim expires in case we revoke it in writing; the customer does not meet his payment obligations from the proceeds received; or if an application is made to open insolvency proceedings against the customer's assets; or if he stops making payments. In these cases we are entitled to collect the assigned claim ourselves. The customer is obliged to provide us with all information required for collection and to hand over relevant documents. In this case, the customer is further obliged to inform debtors of this assignment.  
In case the customer does not immediately transfer amounts received from assigned claims, the customer is obliged to keep them in trust and free of charge.
6. In case of breaches of duty by the customer, in particular in the event of delay in payment, we are entitled to withdraw and take back the goods after a reasonable period of time set for the customer has expired; legal provisions on the dispensability of setting a deadline remain unaffected. The customer is obliged to surrender.  
We are entitled to withdraw from the contract in case a significant deterioration in the customer's financial situation occurs or threatens to occur. The customer must inform us immediately in writing if an application is made to open insolvency proceedings.
7. The processing or transformation of goods by the customer shall be carried out without any obligation arising for us. In case delivery items are processed with other items that do not belong to us, we acquire co-ownership of new items, in relation of the value of delivery items to other processed items, at time of processing.
8. In case the delivery items are inseparably mixed with other items that do not belong to us, we acquire co-ownership of new items in relation to the value of delivery items in relation to other mixed items. The customer keeps co-ownership, free of charge.
9. The customer may neither mortgage delivery items nor assign them as security. In the event of seizure, confiscation or other dispositions by third parties, the customer must inform us immediately and provide us with all information and documents that are necessary to protect our rights. Enforcement officers or third parties must be informed of our property. In case a warehouse keeper is involved, our ownership must be pointed out before our goods are stored.
10. We undertake to release the securities to which we are entitled at the customer's request in case their value exceeds the claims to be secured by more than 10%.
11. In case the retention of title or assignment is not effective; according to the law in which the goods are located, the security corresponding to retention of title or assignment in this area shall be deemed to have been agreed. In case the customer's cooperation is

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required for this, the customer must take all measures necessary to establish and maintain such rights.

### **§ 9 Delivery Dates, Scope of Delivery**

1. The agreed delivery time and date are always approximate, unless a fixed date has been agreed upon in writing.
2. The delivery period begins when the order confirmation is sent; but not before all details of execution have been clarified and all other requirements to be met by the customer have been met; the same applies to delivery dates. The delivery period is met when readiness for dispatch has been communicated by the end of the period or the delivery item has left the factory.
3. The delivery period is extended, in the event of industrial disputes, strikes and lockouts, official orders, difficulties in procuring materials, technical casting difficulties, rejects and rework, operational disruptions, lack of personnel and lack of means of transportation; as well as the occurrence of unforeseen obstacles over which we have no influence, according to the duration of these events. This shall also apply to delays in bindingly agreed deadlines and dates. This shall also apply in case these circumstances occur with subcontractors. There are no consequences of default for the duration of the aforementioned obstacles, even if we are already in default when these circumstances occur. Even if the delivery period is exceeded, the customer remains obliged to accept the goods at the price agreed for day of delivery.
4. Partial deliveries and services are fundamentally permissible, provided they do not place the customer at an unreasonable disadvantage; or the customer has excluded such in writing upon conclusion of the contract.
5. Claims for damages and the right to withdraw due to late delivery or service; as well as non-delivery or non-performance are excluded unless they are based on gross negligence. They are limited to the additional expenses required for a cover purchase by the customer.

### **§ 10 Dispatch, Packaging**

1. In principle, we deliver "ex works", which is also the place of performance for delivery and any supplementary performance. The goods are always dispatched on account and at the risk of the customer; even in the case of freight paid handling.
2. The customer is free to return us any sales, transport, returnable and reusable packaging that has been provided. Postage and freight costs, as well as packaging expenses will be invoiced separately. The choice of shipping method is at our reasonable discretion.
3. Takeover by the carrier is proof that packaging is in perfect condition.

### **§ 11 Acceptance, Passing of Risk**

1. The customer is obliged to accept the delivery item and immediately examine it for any defects.

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2. In case the customer is in arrears with the collection or acceptance of the delivery item for more than fourteen days from receipt of the notification of readiness, we are entitled to withdraw from the contract; and/or after setting a grace period of another four to ten days. Or to demand compensation. A grace period is not required, if the customer has definitively indicated that they are determined to refuse acceptance, or should it become apparent at any time that the customer is unable to pay the purchase price.
3. The risk of accidental loss and accidental deterioration of the goods is transferred to the customer at the latest when the goods are handed over to the carrier, even if we have taken over the delivery.

### **§ 12 VAT**

1. The customer assures that the details of his address and VAT ID number are correct. In case a delivery is treated as taxable, due to deficiencies in the address or VAT ID, the customer will reimburse the tax payable by us.
2. In case of a VAT-exempt intra-community delivery according to §§ 4 No. 1 lit. b) in conjunction with § 6 a UStG, the customer is obliged to submit a confirmation of arrival upon request, which corresponds to the principles of § 17a UStDV. In case the customer does not fulfil his obligation within 30 days upon our request, the VAT can be recalculated. Ownership of the purchase item remains reserved until receipt of confirmation of arrival; or until payment of the recalculated VAT. The retention of title according to § 8 of these General Terms and Conditions of Sale and Delivery are not affected by this.

### **§ 13 Defects, Warranty**

1. Complaints about defects must immediately be made in writing, within the scope of § 377 HGB, in case of obvious defects within a cut-off period of seven business days after delivery to the customer; in case of hidden defects within seven business days after their discovery. Upon delivery of goods, the customer is obliged to immediately inspect them for completeness.
2. In case the customer uses, utilises or processes the delivered goods, this shall be deemed acceptance of the goods and the customer's final waiver of any claims for defects; or other claims arising from the delivery.
3. Until the complaint has been dealt with, the goods complained about may not be modified without our consent. The customer is obliged to carefully keep the goods complained about; to keep them available for inspection and to provide us with a sample upon request. The customer is not entitled to reimbursement of safekeeping or other costs.
4. We must be given the opportunity to determine the defect that has been the subject of complaint. Goods that have been the subject of complaint must immediately be returned to us upon request; we assume the transport costs in case the notice of defects is justified. In case the customer does not meet these obligations or makes changes to the goods already complained about without our consent, the customer loses any claims for material defects.
5. In case special quality conditions have been set or if the goods are sent to another recipient or abroad on behalf of the customer, they must be checked and accepted at our

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factory before dispatch on behalf of the customer. Otherwise the goods are deemed to have been delivered unconditionally upon dispatch.

6. In case the customer wishes us to carry out the necessary tests, the customer must inform us of this. Type and scope of tests are to be agreed upon before the contract is concluded.
7. Production-related excess or short deliveries are permitted within a tolerance of 10% of the total order quantity. The total price changes according to their scope.
8. We do not guarantee the suitability of our offered material for their intended use. Rather, with regard to intended use, the customer is responsible for proper construction, taking into account any safety regulations, selection of material and necessary test procedures, correctness and completeness of technical delivery specifications and technical documents and drawings provided to us; as well as execution of provided production facilities, even if changes are proposed by us; which are approved by the customer.
9. We are not responsible for material defects caused by unsuitable or improper use, incorrect assembly or commissioning by the customer or third parties, normal wear and tear or incorrect or negligent handling; nor for consequences of improper use and changes or repair work carried out by the customer or third parties; without our consent. The same applies to defects that affect value or suitability of goods only marginally decrease.
10. Furthermore, the customer is responsible for ensuring that no property rights or other rights of third parties are infringed on basis of the customer's information. The customer is at liberty to prove to us that he is not at fault for the infringement of the rights of third parties. Insofar as we are then liable to third parties, the customer shall indemnify us from all claims arising from the use of such property rights and expenses that we inevitably incur from or in connection with the claim. We are not entitled - without consent of the supplier - to make any agreements, in particular to conclude a settlement.
11. In case of defective goods, we may choose to have the goods replaced or, if possible, rectification. Goods that have been subject of complaint can only be returned with our consent. Only our contractual partners are entitled to warranty rights. An assignment is excluded.
12. The customer has the right to a reduction in price or to withdraw, after setting a reasonable period of grace for us, for supplementary performance (remedy, subsequent delivery, procurement of spare parts) regarding a defect within the meaning of these terms of delivery, if expired as a result of our fault, subsequent performance fails twice or one of the parties is no longer reasonable. A reimbursement of costs is excluded in case of increase in expenses; due to goods being taken to another location after delivery, unless this corresponds to intended use of goods.
13. Liability for all damages is excluded unless expressly named in above provisions, even in case they did not occur on the delivery item itself. Excluded from this are damages arisen due to intent or gross negligence on part of the owners, executive employees or

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vicarious agents of ours or that have arisen from culpable violation of essential contractual obligations (obligations whose fulfillment enables the proper execution of the contract in the first place and on whose compliance that the contractual partner regularly trusts and may trust). In latter case, however, liability is only assumed for typically occurring, foreseeable damage.

14. Exclusion of liability shall not apply in cases in which injury to life, body or health or to other privately used items of the customer is due to defects in delivered items. Exclusion of liability shall not apply in case of errors in guaranteed properties, provided purpose of the guarantee is to protect the customer against damage that did not occur on the delivery item itself.
15. The warranty period for newly delivered goods for merchants is twelve months after transfer of risk to the customer; legal warranty periods apply to consumers. In case of used items, the warranty is excluded for merchants; and limited to one year for consumers.

### **§ 14 Total Liability**

1. Any further liability for damages provided for in § 13 are excluded - regardless of the legal nature of asserted claims. This applies in particular to claims for damages for lost profits, culpa in contract negotiations, other breaches of duty or tortious claims for compensation for damage to property in accordance with § 823 BGB.
2. Limitation according to para. 1 shall also apply in case the customer demands reimbursement of useless expenses instead of a claim for compensation for the damage instead of the service.
3. Insofar as liability for damages towards us is excluded or limited, this shall also apply with regard to personal liability for damages of our employees, workers, staff, employee representatives and vicarious agents.
4. Legal regulations on onus remain unaffected.

### **§ 15 Samples, Tools, Sketches**

1. Samples and tools shall be delivered by the customer if required, packaging and freight paid, to our factory.
2. In case manufactured samples and tools required for production based on templates provided by the customer, we claim that the customer shall contribute to production costs, which we will communicate as part of the contract negotiations and invoice after approval. Irrespective of manufacturing cost share, we remain the owner of manufactured tools.
3. We only assume responsibility for proper usage and storage of samples and tools provided. It is the owner's responsibility to insure samples and tools adequately against fire and water damage and against theft.
4. Samples that have not been used for five years or longer shall become our property without special notification and may be destroyed.

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5. We reserve the right to keep customer's tools for three years after the last delivery. In case the customer informs us, before this period has expired, that he will still be placing orders, within the next year, we are obliged to keep them for the period specified. Otherwise we are free to dispose of the tools.
6. In case one contractual partner provides the other with drawings or technical documents about goods to be delivered or their manufacture or samples, these remain property of the presenting contractual partner.
7. Each contractual partner shall only use all documents (including samples, models, tools and data) and knowledge, received from the business relation, for jointly pursued purposes and with the same care as corresponding own documents and knowledge towards third parties; in case the other contractual partner designates them as confidential or has an obvious interest in their non-disclosure. This obligation begins with the first receipt of documents or knowledge and ends 36 months after the end of the business relationship.
8. This obligation shall not apply to documents and knowledge that is generally known or that was already known to the contractual partner upon receipt without being obliged to maintain secrecy; or are subsequently transmitted by a third party authorised to pass them on; or are developed by the receiving contractual partner without using documents or knowledge of the other contractual partner that are to be kept secret.

### **§ 16 Applicable Law, Place of Jurisdiction**

1. The contractual relationship is exclusively subject to German law; to the exclusion of the UN sales law.
2. Place of performance and exclusive – including international – place of jurisdiction for all disputes arising directly or indirectly from contractual relationships, is our place of business in Hagen/Westphalia; insofar as the customer is a merchant according to German Commercial Code, a legal entity under public law or a special fund under public law. The same place of jurisdiction applies in case the customer does not have a general place of jurisdiction in Germany; relocates his domicile or usual place of residence abroad after the conclusion of the contract or his domicile or usual place of residence is not known at the time the action is filed. However, we are entitled to bring an action at the place of performance of delivery obligation in accordance with these General Terms and Conditions of Sales and Delivery; or a prior individual agreement; or at the customer's general place of jurisdiction.
3. Should individual provisions of these General Terms and Conditions of Sale and Delivery be or become invalid, validity of remaining provisions shall not be affected thereby.