

## I. General

The following terms of delivery and payment are valid for all business relations with our customers. These provisions are binding for the customer's current contract as well as for future contracts. Any derogation requires written confirmation by us. The customer shall not claim any of his own terms of purchase. No such standard term shall be included in any purchase agreement, not even by our silence or by any delivery we might make.

## II. Offers and delivery

1. Our offers are without obligation.
2. In case we or our suppliers are hindered to fulfill the terms of the contract by disruptions in procurement, manufacturing or delivery, e.g. energy shortages, traffic disruptions, strikes, lockouts, etc., the delivery dates will be extended accordingly. The purchaser may rescind the contract only, if he sets a suitable deadline in written form, after the expiration of the extended delivery date. If we were not able to fulfill the contract before the set deadline, the contract might be terminated in writing.
3. If we are unable to fulfil a contract in whole or in part of, for reasons mentioned on Paragraph 2, we will be released from obligation of delivery.
4. In case of inability in accordance with para 2, or impossibility in accordance with para 3, we will notify the customer immediately.
5. Claims for delay or default by the customer are excluded, as long as we are not charged with intent of wanton negligence.
6. If a customer is in delay of payment for a prior delivery, we might withhold the shipment without being liable for possible damage.
7. Partial deliveries shall be permissible.
8. Minimum quantity surcharge for sales on credit less than 100.00 Euros, is 10.00 Euros, for less than 200.00 Euros is 5.00 Euro.

## III. Prices

1. The amount invoiced will be based on these prices valid on the day of delivery, unless a separate agreement was made. If in the case of a forward order or a make-and-hold order, only part of the agreed quantity is accepted during the agreed period, we are entitled to either charge the valid price for delivered items of this lot or we may deliver and bill the rest of the ordered goods.
2. If we exceptionally accept redemption of goods, we will charge 20 per cent of the net price to cover our costs. Customized items are not taken back as a rule.

## IV. Payment

1. Deviating Article 284, Paragraph 3, German Civil Code, our invoices are due 21 days after invoice date, strictly net price. The invoice is considered to be delivered, passed three days of the date stated on the invoice, unless the customer can prove a delayed delivery of the invoice. Period deadlines will be set in accordance with article 186, German Civil Code.
2. In case of delayed payment, we may charge interest in accordance with article 288, Para 1, subparagraph 1, German Civil Code. For each overdue notice we will charge fees in the amount of 10.00 Euros.
3. Ad hoc we reserve the right to accept bills of exchange or checks. If so, just for payments. The credit entry will be under usual provisions. For bills we will charge standard banking discount and collection fees. We will not warrant for punctual collection or protest.
4. In case a bill or check is not negotiated seasonably, or we come to the conclusion that circumstances on the customer's side do not justify any further allowance of time for payment, we may demand the outstanding debt immediately, although bills or checks were received for this claim.
5. Cash payments might be made to persons only, who have a written power to collect, which must be signed by us and they must use the company's receipt form.
6. The customer has the right of retention only, if it is subject of the contract. The customer is authorized for compensation only, if we accepted the claim or if it was legally recognized.
7. If a customer is defaulting an invoice of a considerable amount out a contract, the all outstanding bills will become due immediately – regardless of eventual accepted bills of exchange. We may request cash payment for any further delivery.
8. If the customer is still in delay after an adequate set grace period, we may terminate the contract immediately or demand compensation for non-fulfilment. This pertains to agreed but not carried out follow-up purchases.

If we become aware of known facts, that the customer is not creditworthy anymore, we may request cash payment before or at the delivery of goods, even in spite of prior agreements. The customer may provide collaterals for open claims.

## V. Reservation of ownership

1. All goods remain our property until the full payment of consisting and prospective claims of a contract. This also includes conditional claims.
2. In case of processing or combination of goods subject to reservation, in accordance with article 947 and 950, German Civil Code, with goods not belonging to us, we have an entitlement on co-ownership in the amount of our sales prices, including value-added-tax. The customer will safekeep the goods without any charges.
3. The customer may sell goods subject to reservation in regular business for immediate cash payment or conditional sale. The customer is not authorized to yield other conditions, especially assignment as security or pledging.
4. The customer assigns the claims of onward sales with all ancillary rights of goods subject to reservation to us, in the amount of our invoice price, including value-added-tax.
5. In case that the claims of the customer will be transferred to a current account, the customer will assign his claims of the current account to us.
6. Until recall, the customer may collect claim assigned to us. Assignment of pledging of such claims, require our written approval. Should customer's circumstances change in a manner making it unreasonable, to keep it granting terms of payment. The customer shall be held to notify his debtors that he assigned his claims to us. The customer also must provide us with all information, as well present and forward all documents. If necessary, the customer shall grant access to his pertaining documents.
7. In case of circumstances mentioned in Article 6, Paragraph 3, the customer shall grant access to all goods in his possession, which are subject to reservation of title, provide and forward an exact inventory of the goods, single out these goods and return them to us.
8. If the value of securities is above 10 per cent of our claims, we will release excess securities of our choice upon request of the customer.
9. In cases where third parties access the goods subject to reservation of title or claims assigned to us, the customer must inform us immediately in writing and will support us by all means in case of intervention.
10. The customer will bear the cost for fulfilling the aforementioned duties of cooperation in the prosecution of the rights under the reservation of title and all expenses incurred for the maintenance and storage of the goods.

## VI. Packing and shipping

All packing will be in accordance with common custom and usage terms. Special or alternative packaging will be charged at cost price. All goods will be delivered ex works as a rule.

## VII. Transfer of risk

1. As soon as goods leave the plant/depot, all risk is transferred to the customer. All shipments, including returns, are shipped at the risk of the customer.
2. Our shipments are not insured against transportation damage.

## VIII. Liability for defects and compensation

1. The goods shall be delivered in the design and attributes usual for as at the time of delivery.
2. After receipt, our shipment must be checked for correctness. Incomplete or default shipments, as well as defective goods must be queried within 14 days after the date of delivery. Defects that are belatedly notified will not be considered. This also pertains to non-obvious defects, unless the customer is a commercial enterprise.
3. In particular, our consulting services do not release the customer from its responsibility to inspect the purchased products in view of their suitability for intended purposes as well as the processing requirements of the producer. Moreover technical application assistance and consultancy, processing instructions, consumption quantities, etc. are only general guidelines and do not give rise to a legal contractual relationship or an additional obligation from the purchase contract. There shall be no liability for such activity. The consumption quantities in our technical leaflets are average values based on experience. Access or under consumption for special projects do not give rise to rights or entitlements.
4. Our warranty obligation shall not apply, if there are modification to the delivered goods by a third party or if the customer does not immediately comply with our request to return of the defective goods. Our warranty also lapses, if the complete settlement of our invoices does not take place within the contractual or agreed period of credit.
5. In the event the delivered goods are defective and we are notified within the time limit, we will replace the defective goods free of charge. If we fail to provide substitute deliveries, the customer may withdraw from the contract. In case of quality concerns, where required a sample must be provided for inspection.
6. Our warranty ends within the time limits in accordance with the German Civil Code. Other warranty

terms are applying as binding conditions only if we confirmed them in writing. In such case of extended warranty, we only grant claims for substitute deliveries, but no claims for consequential damage, working and processing and other claims for compensation. If we allow a claim after the set time limit in accordance with the German Civil Code, we will have the choice to replace the defective materials or refund the customer the amount paid, but without associated expenses and freight costs.

7. There shall be no claims based on defect in case of insignificant deviation from the agreed quality, in the case of only slight impairment of serviceability, in case of natural wear and tear and of defects that occurred after passing of risk due to improper or careless handling, improper storage and transport or particularly other influences which are not assumed under the contract. We will not grant warranty for improper modifications by the customer or a third party, as well for consequences.

8. The customer's right of recourse against the supplier, in accordance with Article 478, German Civil Code (recourses of the businessman) is limited to cases where the customer has not concluded an agreement with its customers exceeding the scope of the statutory provisions governing claims based on defects.

9. All other claims, including claims for compensation, for delivery of default goods by the customer against us are excluded. Nonetheless, should on any grounds a recovery of damage come into consideration, the purchase price of the consumed quantity applies as the maximum amount of the claim.

IX. Other claims for compensation

All other claims for compensation by the customer against us -irrespective of legal grounds- are excluded to the extent that malicious intent or gross negligence on our part is not proven.

X. Effectiveness

In the event that any clause or clauses of this contract are or become to be invalid, no matter for what reason, such invalidity shall not effect the remaining provisions.

XI. Place of jurisdiction

Place of jurisdiction for all disputes arising out of the contractual relationship, including withdrawal of the contract, is Ansbach, Germany.

XII. Liability

Liability without fault under the liability law shall remain unaffected.