

## General Terms and Conditions

### I. Conclusion of Sales

- 1 Our sales offers are subject to change without notice. Orders shall be accepted only upon our written confirmation. Oral agreements shall become binding only upon our written confirmation.
- 2 Our representatives and travelling salesmen are only empowered to negotiate but not to conclude contracts.

### II. Scope of Delivery Commitment

Due to specific production requirements for items made to order, we reserve ourselves the right to increase or reduce the delivery volume by 10% of the order volume and to proportionally amend the agreed price for complete delivery. The agreed unit price shall remain unaffected.

### III. Delivery Periods and Delivery Dates

- 1 Agreed delivery periods and delivery dates shall be met if the consignment is dispatched prior to their expiration. If collection of the consignment by the customer or a third party commissioned by him is agreed, delivery periods and dates shall be met on our notice. If the customer delays performance, the agreed delivery period or date shall be extended for a period equal to the time lost by reason of delay without impairment of our statutory rights.
- 2 If, in case of force majeure or similar unforeseeable events beyond our control, delivery is impossible or considerably aggravated, we shall not be committed to deliver for the duration of the impairment. In such case, the delivery period shall be prolonged by the duration of the impairment. If the impairment persists for more than 3 (three) months, both parties shall be entitled to back out of the contract.
- 3 Claims for damages of the customer arising from delay in delivery are excluded unless the delay is caused by us with intention or gross negligence. This shall not apply, however, if a fixed date is agreed. In such a case, Article XIII, paragraph 2 and 3 shall apply.
- 4 We are entitled to execute partial deliveries even without special agreement and to invoice these partial deliveries accordingly.

- 5 Orders on call-forward notice shall be accepted within three months upon readiness to deliver declared by us, unless otherwise agreed.

#### **IV. Shipping and Passage of Risk**

- 1 Packaging shall be effected by us in due care and at low cost.
- 2 Packing charges shall be invoiced at cost price. Packing material shall not be returned unless otherwise agreed.
- 3 In all deliveries, the risk, including risk of breakage, passes to the customer upon dispatch of the consignment by us. This shall also apply to carriage free deliveries. Transport insurance shall be concluded only upon explicit instruction of the customer and at his own cost.
- 4 In the absence of the contractor's express instructions, route and type of shipping shall be selected by us upon our best discretion.

#### **V. Pricing**

- 1 Our prices are stated in Euro excluding packing, value added tax, export levy, customs duty, ancillary and shipping expenses, unless otherwise agreed.
- 2 Our prices are subject to change without notice if the period between intake of order and shipment or provision of the consignment exceeds 4 (four) months, unless we are responsible for exceeding this period. In this case, we invoice the prices in effect at the time of delivery. This provision shall also apply to orders executed in sequential or partial deliveries, insofar as deliveries are effected more than 4 (four) months subsequent to intake of order.
- 3 If we supply tools or other material, our quoted prices shall be valid with the proviso of a satisfactory test run on our premises. Furthermore, we reserve the right to back out of the contract if the material supplied by us proves unsuitable or inappropriate.

#### **VI. Payment Terms**

- 1 Unless otherwise agreed, payments shall be effected in cash with a 2% cash discount for payments within 8 (eight) days upon date of invoice or net cash within 30 (thirty) days upon date of invoice. Deduction of cash discount is permissible only if all former due invoices are fully paid.
- 2 The contractor shall offset or exercise his retaining lien only if his claim is undisputed or found legally enforceable.

- 3 If the contractor delays payment, we may claim statutory interest on defaulted payment.
- 4 Payments shall be effected free of expense to us by means of remittance to one of our bank accounts indicated on the invoice or by forwarding cheques, which shall be accepted with the proviso of their redemption for payment.
- 5 Payments, including payments by cheque, to representatives shall be permissible only if they are vested with collection authority in writing.
- 6 Bills of exchange shall be accepted on prior specific agreement and for purposes of payment only. Interests, discount charges, and other expenses related to the negotiation of bills shall always be borne respectively reimbursed to us by the contractor. If payment by bills is agreed, the bills shall be provided to us immediately upon receipt of invoice. Payments by bill shall not qualify for deduction of cash discount.

## VII. Returns

Return of delivered goods is inadmissible unless the contractor lodges justified complaints or a specific agreement with our written consent applies. The contractor shall bear cost and risk for returns. Returned goods shall be credited with deduction of an appropriate handling fee.

## VIII. Warranties

- 1 The contractor shall not derive any rights from minor defects of goods. All other defects shall entitle the contractor to demand re-performance with the right to opt for rework or substitute delivery on our side. The right to refuse re-performance in total or in part pursuant to the conditions stipulated in § 439 paragraph 3 BGB, remains unaffected.
- 2 The contractor shall have the right to demand a reduction of purchase price or to back out of the contract, if re-performance fails or is rejected. The contractor shall not have the right to back out of the contract if only a minor part of the due delivery is defective.
- 3 All warranty claims on the part of the contractor shall be statute-barred within a period of 1 (one) year upon the onset of statutory limitation.
- 4 Notwithstanding Article XIII of these sales conditions, claims for damage shall remain unaffected.

## **IX. Reservation of Ownership**

- 1 All delivered goods shall remain our property until fulfilment of all duties deriving from our business relations with the contractor.
- 2 If our goods are installed or used otherwise by the contractor in the production of his own goods, it shall be agreed, that the contractor shall convey co-ownership in the goods produced by him as a pro rata value of our goods in the new goods. This shall also apply if the conditions stipulated in § 947 paragraph 1 BGB are not applicable. The contractor shall, on our behalf, keep the new goods produced under utilization of goods delivered by us, insofar as we are co-owner. The contractor shall be entitled to resale pursuant to common business. The contractor shall assign receivables from resale of the new goods to us as a pro rata value of our co-ownership.
- 3 The contractor is committed to honor our reserved ownership rights in respect of interventions, especially attachments, through immediate notice. In cases of attachment, he shall forward a copy or photocopy of the attachment protocol to us.

## **X. Moulds, Tools, and Devices**

- 1 Unless not otherwise agreed, and produced to special order, moulds, tools, and devices produced by us or to our order by third parties, remain our property; however, they shall be solely used for orders of the contractor. Manufacturing costs of such moulds, tools, and devices shall be shared by the contractor and us pursuant to special agreement.
- 2 We shall prudently hold the moulds in safekeeping and operating condition for follow-up orders. However, we shall not hold liable for moulds becoming useless despite appropriate handling and customary maintenance. Our safekeeping duty ends if the contractor does not place any further order within 2 (two) years upon delivery.
- 3 If moulds, tools, and devices are not made for special orders, the aforementioned stipulations shall not apply.

## **XI. Copyrights**

- 1 The contractor grants unrestricted guarantee that no copyrights of third parties shall be violated by production and delivery of items produced or delivered by us based on drawings, templates, or samples either received from or designed in cooperation with the contractor.

- 2 The contractor shall be committed to exempt us from claims of third parties deriving from violation of copyrights. The exemption duty includes all expenses arising from recourse of a third party.
- 3 In case of substantiated, yet not obvious, recourse, we shall be entitled to interrupt production and delivery until successful exemption by the contractor. If the contractor does not meet his exemption duty pursuant to paragraph 2 within an appropriate period to be fixed by us, we shall be entitled to back out of the contract and invoice the contractor with our costs incurred up to that point in time.
- 4 All samples, templates, and drawings placed at our disposal by the contractor shall be returned only on specific request. If no order is placed, we are entitled to destroy samples, templates, and drawings 3 (three) months upon submission of our offer or, in case of further contractual negotiations, 3 (three) months upon termination of said negotiations. If the contractor places an order based on the afore mentioned items provided by him, we shall hold them in safekeeping for 2 (two) years upon delivery of the last order. We shall be entitled to destroy the provided samples, templates, and drawings after expiration of that period. We may relieve ourselves at any time from our safekeeping commitment by returning the afore mentioned items.

## **XII. Provision of Material**

- 1 The contractor shall deliver material provided by him free to our premises, including packing, and a 5 % surcharge to cover potential rejects. Delivery shall be executed in perfect condition, timely enough, and in case of partial deliveries, in such quantity that speedy and uninterrupted processing can be effected. Return of parts not consumed shall be left to the discretion of the contractor at his own risk and cost.
- 2 In case of delayed delivery of provided material, or delivery in insufficient quantity or quality, the contractor shall be obliged to separately reimburse additional costs thus incurred.
- 3 In such cases we shall also be entitled to interrupt production, to disassemble the machines used, and to switch to production of other goods.

## **XIII. Liability**

- 1 Claims for damage of the contractor are excluded in case of ordinary negligence. In particular, we shall not hold liable for lost profit or other

economic loss of the contractor caused by ordinary negligence of the contractor.

- 2 Liability pursuant to paragraph 1 is not excluded for warranty claims in cases of physical injury, impairment of health, claims pursuant to §§ 1,4 of the German Product Liability Law, as well as ordinarily negligent violation of essential contractual duties. However, in case of ordinarily negligent violation of essential contractual duties, liability is limited to substitution of typical damage foreseeable at conclusion of contract. The same shall apply to grossly negligent action of ordinary vicarious agents.
- 3 Exclusion or limitation of our liability also applies to the personal liability of our employees, staff, representatives, and vicarious agents.

#### **XIV. Exercise of Contractor's Rights**

- 1 If, pursuant to §§ 281, 323 BGB, the contractor sets an appropriate deadline for performance or re-performance, and the deadline expires without fulfilment, he shall give written notice within a period of one week upon written request whether he claims damage instead of performance or whether he backs out of the contract.
- 2 If the contractor fails to notify us timely, the rights pursuant to §§ 281,323 BGB shall be excluded.

#### **XV. Statutory Limitation**

The start of negotiations on circumstances substantiating a claim shall not suspend statutory limitation. This shall not apply to claims for damages.

#### **XVI. Place of Fulfillment and Jurisdiction**

- 1 Nagold shall be the agreed place of fulfilment for delivery, acceptance, and payment.
- 2 Pursuant to the factual authority, the place of jurisdiction for both contractual parties shall either be the Local Court of Stuttgart or the First-Instance District Court of Tuebingen. This shall also apply for lawsuits regarding bill of exchange and cheque transaction.

#### **XVII. Application of German Law**

The contract shall be governed by German law exclusively. Pursuant to the Convention on Commercial Law of The Hague, application of the Uniform International Commercial Law is excluded.

## **XVIII. General Remarks**

Each order executed by us shall be based on these terms and conditions. We shall conclude contracts only on the basis of these sales conditions. Purchasing or other terms and conditions of our contractual partners shall be deemed not agreed, even if these provisions do not contradict our conditions. Instead, the pertinent legal provisions shall apply. Purchasing or other terms and conditions applied by the contractor shall not be binding for us even if we do not reject them explicitly.

## **XIX. Final Provision**

If any provision or several provisions hereof are unenforceable, the validity of the remaining provisions and the contract as a whole shall not be affected thereby. Invalid provisions shall be replaced by statutory regulations.