

## Terms of Sales and Delivery

### § 1 General Remarks

- 1.) Our offers remain subject to change. Orders will be only compulsory regarding type and quantity by the acknowledgement of our company. Modifications and additions have to be effected in writing.
- 2.) These terms prevail for permanent business connections as well as for future business. Should single regulations be or become ineffective, the remaining conditions will not be concerned.
- 3.) Our terms prevail exclusively. Purchase terms of the customer will only obligate us, if those have been explicitly approved in writing by our company.

### § 2 Time for Delivery

- 1.) Time for delivery commences with the day of shipment of the confirmation of the order respectively after receipt of all required documents for the execution of the order, the agreed advance payment and the timely material requisition. The time of delivery prevails as being kept by giving notice for readiness of shipping, when the shipment is impossible without our fault.
- 2.) If a time for delivery is not kept by fault of the supplier, the purchaser will be entitled, after an adequate final deadline while further claims will be excluded, to demand a compensation for damage resulting from delay or to retire of the contract, in case he has indicated the possibility of retraction while setting the final deadline. The compensation for damage resulting from delay adds up to 0,5 % for each complete week of delay, altogether at the maximum 5 % of the value of the respective part of the delivery that has not been supplied according to the contract. This restriction does not prevail in cases when the supplier is liable as a result of intent or gross negligence.
- 3.) Acceptable partial delivery in accordance with ordinary trade usage as well as reasonable modifications of ordered quantities, customary in trade, are admissible.
- 4.) Regarding orders on call without agreement on duration, production lot quantities and acceptance dates, we are entitled to get a binding determination about this 3 month after confirmation of the order at the latest. If the purchaser does not comply with this demand within 3 weeks, we are entitled to set a final deadline of 2 weeks and to withdraw of the contract after its expiration or to refuse the delivery and to claim indemnification.
- 5.) Incidents of force majeure in our company or our subcontractor's company adequately extend the time of delivery. This also prevails for governmental intervention, difficulties in energy and raw materials supply, strikes, lockouts and unpredictable delivery impediments as far as we are not responsible for those. We have to keep the impairments for our customers as low as possible.

### § 3 Delivery

- 1.) Unless otherwise agreed, we choose packaging and mode of dispatch to the best of our judgement.
- 2.) For carriage paid delivery also prevails that the risk passes to the customer at the moment of leaving the supplying factory. Regarding delays that are caused by the customer prevails that the risk already passes at the moment of giving notice of the readiness for shipping.
- 3.) The delivery starts at the plant Braunschweig exclusively the packaging charges. If a carriage paid delivery has been agreed in exceptional cases, the delivery will take place carriage paid in small consignment at railway station. Charges for goods transport at the place of delivery will be always charged to the recipient.
- 4.) On customer's request in writing the goods will be insured against damages regarding storage, breakage, transportation and fire.

### § 4 Payment

- 1.) Our prices are calculated ex factory Braunschweig exclusively packaging charges plus value added tax (MwSt) according to the legal amount. The price determination is calculated according to the by our company stated quantities respectively weights. If price modifications that result from price increase of raw material or wage increase should take place and if the delivery is foreseen for more than 4 month after concluding the contract, we reserve the right to effect an adequate increase of the payment.
- 2.) Our invoices are immediately payable net cash in deutschmarks exclusively to our company unless otherwise agreed. In case of not respecting the time for payment we are entitled to claim 2 % interests above the respective official rate of discount of the German Bundesbank beginning with the due date, if we don't prove higher lending debit interests. If the customer is in delay, we reserve the right to claiming a far-reaching damage.
- 3.) Reversals and cheques only prevail as payment once they have been redeemed; otherwise they will be accepted only as conditional payment. Out-of-pocket expenses are charged to the customer. As far as we have agreed upon interest rates dependent on the discount rate with the customer, we and the customer are entitled to demand an adequate adjustment in case of a modification of the discount rate.
- 4.) The customer may take in account against our claim of purchase price only claims that have been determined as being undisputed or become final and absolute. A complaint about defects does not dispense tradesmen from the obligation to pay the purchase price, unless the complaint of defects has been acknowledged by our company; the raising of a complaint of defects by non-traders lets unaffected their obligation to pay the purchase price resulting from contracts, that are not related to the criticised delivery. The customer reserves the right to retain a part of the payment that corresponds to the quantity and the gravity of the apparent defect.
- 5.) The non-respecting of payment terms or conditions that are adequate to reduce the credit worthiness ensue an immediate maturity of all our claims. Moreover, we are entitled to ask for advance payment for still outstanding deliveries as well as to withdraw from the contract after an adequate final deadline or demand indemnification because of non-performance, furthermore to forbid the customer to resell the goods and to withdraw unpaid goods at the charges of the customer.
- 6.) Unless otherwise agreed, the purchase price for moulds has to be paid net on giving the confirmation order to an amount of 50 % as well as 50 % on presentation of the outturn (first sample). When modified orders of the customer are confirmed before the end of mould manufacturing, all occurred expenses have to be reimbursed as far as they exceed the down payment. A contingent granting of discount presupposes the payment of all former due invoices.

### § 5 Reservation of ownership

- 1.) Deliveries remain our ownership until the fulfilment of all claims that we are entitled to versus the customer, even if the purchase price for particular claims has been paid. Regarding current invoices we reserve the right to maintain the ownership of deliveries (privileged property) as preservation of our balance invoice.
- 2.) A processing or working by the customer is effected while excluding the acquisition of ownership according to § 959 BGB (German Civil Code) for and on behalf of our company. We remain owners of the manufactured objects, that remains privileged property for preservation of our claims according to subclause 1.
- 3.) Regarding processing (joining/mixing) with other not to our company belonging products by the customer, the regulations of §§ 947, 948 BGB (German Civil Code) prevail and result in the fact that we will be co-owner to the new object and that it will be privileged property in the sense of these terms.
- 4.) Reselling of the privileged property is only permitted to the customer in the ordinary course of business provided that he will agree upon

- a reservation of ownership with his client according subclause 1.3. The customer is not entitled to other dispositions regarding the privileged property, in particular to pawning and to conditional bill of sale.
- 5.) In case of reselling the customer already now waives a claim to our company and versus his client until the fulfilment of the totality of our demands and other titles resulting from the reselling – this including all secondary rights. On request, the customer is obligated to give us complete information and hand over documents that are required to put forward our rights versus the client of the customer.
  - 6.) If the privileged property will be resold or is resold together with products that are not our ownership after being processed according to subclause 2. and/ or 3., the assignment of the purchase price claim according to subclause 5. only prevails up to an amount of invoice value of our privileged property.
  - 7.) If the value of our total claims exceeds the existing security for our company of more than 20 %, we will be obligated to release security of our choice on request of the customer.
  - 8.) We have to be informed of pawnings and seizure attachment of privileged property by third parties. Resulting intervention expenses will be charged in any case to the customer.
  - 9.) Should we use our right to reservation of ownership in compliance with the above mentioned conditions by withdrawing the privileged property, we are entitled to sell the products in the open market or have it auctioneered. The repurchase is effected at the achieved profit, however not exceeding the agreed delivery prices. We reserve the right of further claims such as indemnification, in particular of lost gain.

## § 6 Guarantee

- 1.) Notifications of defects have to be put forward in writing within 2 weeks at the latest after having received the delivery. Regarding hidden defects this delay is exceeded to one week after determination, the longest delay is fixed to 6 month after arrival of goods.
- 2.) After commissioning the customer has to prove the adequate usage in case of contingent notifications of defects, whether he has broken the duty of care incumbent to him.
- 3.) In case of justified notifications of defects, the quality and design of the outturns ( first samples) that were slated for production in written form by the customer, are relevant and we are obligated either to touch up or effect a subsequent delivery free of charge. If we do not comply with it within adequate delays, the customer will be entitled to declare diminution, modification or retraction of the contract. Further claims are excluded, unless intent or gross negligence are present. Replaced parts have to be sent back unfree to our company on request.
- 4.) High-handed working or improper treatment result in the loss of all warranty claims. Only in case the customer intends to prevent major damages or on delay in remedying faults by our company, the customer is entitled to correct after a mutual consent and to get reimbursed the adequate expenses.
- 5.) We refuse to guarantee for damages that have occurred by the following reasons: inadequate or unskilled application, faulty assembly respectively commissioning by the customer or third persons, natural wearing off, faulty or negligent treatment – in particular excessive strain – as well as inadequate resources, unless those cannot be ascribed to faults of our company.
- 6.) If we have counselled the customer, we will be liable for the functioning and suitability of the plastic hang-on only when we give an explicit guarantee in writing. If a defect can be ascribed to performance specification or the directive of the customer who has delivered or prescribed the materials/ substances or prefabricated parts, we will be released of the guarantee for these defects.
- 7.) Indemnification claims of the customer not concerning the object itself are excluded, unless they are not caused by intent or gross negligence.

## § 7 Moulds

- 1.) The price for moulds also include the charges for supply with samples, however not the expenses for inspection or processing installations as well as not for modifications actuated by the customer.
- 2.) Unless otherwise agreed, we are and remain owner of the moulds that have been produced for the customers by our company or third parties that we have charged with it. They will be exclusively applied for orders of the customer as long as this one complies with his payment obligations and purchase commitment. We will be only obligated to free replacement of these moulds in case those are required for the fulfilment of an production quantity guaranteed to the customer. Our obligation to store the moulds expires two years after the last partial delivery out of the mould and after prior notice to the customer.
- 3.) If it is agreed that the customer should become owner of the mould, the ownership passes to him after payment of the purchase price. The delivery of the moulds will be replaced by our obligation to keep them safe. Independent of the customer's claim for possession and of the service life of the moulds, we are entitled to the exclusive possession of the moulds until the purchase of a minimum piece number to be agreed upon and/ or until the expiration of a certain period. We must mark the moulds as being in our possession as a bailee and have to insure them on request of the customer.
- 4.) In case the customer has its own moulds according to subclause 3. and/ or moulds have been made available on loan, our liability regarding storage and maintenance is restricted to the care that we apply to our own matters. Expenses for maintenance and insurance are charged to the customer. Our obligation expires when the customer has not sent for the moulds after the order has been accomplished and has been requested to do so. As long as the customer has not complied with his contractual obligation in its entirety, we will have in any case the right of retention of the moulds.

## § 8 Supply of materials

- 1.) If materials are delivered by the customer, those have to be delivered in time and in excellent quality at his charges and risk with an adequate addition in quantity of at least 5 %.
- 2.) On failure to fulfil these conditions, the time for delivery is extended adequately. Except in case of force majeure, the customer will pay for the now occurred additional charges also for manufacturing interruptions.

## § 9 Industrial property right

- 1.) The customer is liable for the liberty of industrial property rights of third parties regarding the ordered deliveries and performances, and releases our company of all respective claims and has to reimburse the occurred damages.
- 2.) Our design and construction proposals may be only passed on with our explicit approval in writing.

## § 10 Place of performance and legal venue

- 1.) Place of performance and as far as legally admissible and exclusive legal venue for all quarrels resulting from the contractual relationship is Braunschweig / Germany.
- 2.) German law prevails exclusively. The application of uniform trade laws including the UN – Law on Sales is excluded.