

# Standard Terms and Conditions



## I. Conclusion of contract

1. The Standard Terms and Conditions shall apply for all deliveries and services. Any Terms and Conditions of the customer are herewith opposed. Our Standard Terms and Conditions shall be the sole content of the contract provided the customer/buyer does not object to them in writing within 8 days of receipt of the acknowledgement of order.
2. Our offers are without engagement. Agreements, in particular verbal subsidiary agreements and undertakings given by our sales personnel, shall only become binding through written confirmation by our authorised agent entered in the Commercial Register.
3. The documents forming part of the offer, such as photocopies, drawings, weight and dimension specifications, are only approximately authoritative, unless they are explicitly described as binding in writing. The contractor/seller retains right of ownership and copyright for quotations, drawings and other documents; they may not be made accessible to third parties without the explicit approval of the contractor/seller.

## II. Prices

1. In the absence of any other agreement, prices shall apply ex works or ex warehouse. Freight charges, packaging at cost price and value-added tax at the current rate shall be charged separately.
2. If, in the case of contracts with an agreed delivery time of over four months, there should be a significant change in respect of certain cost factors, relating in particular to factors such as wages, material, energy or freight, the agreed price may be adjusted to an appropriate extent in accordance with the influence exerted by the determining cost factors.
3. Subsequent reduction of the order quantity, or subsequent reduction of the number of items in the event of an agreed part delivery, as well as the reduction of agreed call-offs is generally not admissible. If in individual cases we agree to alter the contract, unit prices shall rise, also taking account of additional set-up and starting costs.

## III. Delivery period

1. Place of performance for deliveries is the registered office of the contractor/seller.
2. The contractor/seller shall only be in default with his obligation to deliver, without warning by the customer/buyer, if a time determinable by the calendar has been agreed on explicitly and in writing as binding for the delivery. The warning by the customer/buyer must be given in writing.
3. The delivery period begins with the dispatch of the acknowledgement of order, but not before the provision by the customer/buyer of the documents, authorisations, approvals, receipt of any agreed deposit and clarification of all details of execution of the delivery, with the reservation that the contractor/seller himself be supplied in good time. In the event of ex works sales, the period of delivery has been observed if the delivery item has left the factory by the expiry of said period, or if readiness for dispatch has been advised, insofar as the goods could not be dispatched in good time without any fault on our part.
4. Events representing force majeure, steps taken in the context of industrial disputes and unpredictable circumstances which make delivery significantly more difficult or temporarily impossible (e.g. fire, mechanical defects, raw material or energy shortages, steps taken in the context of currency or trade policy) or other steps taken by a sovereign state, transport route blockages etc.) will entitle us to extend the delivery period for the duration of the obstacle together with an appropriate lead in time. It is immaterial whether the obstacle in question primarily affects ourselves or our suppliers. The contract will be amended accordingly in the event of one of these unpredictable events occurring, where it significantly alters the commercial significance or substantive nature of the performance. If such an amendment is not acceptable for commercial reasons, we shall be entitled to repudiate the contract in full or in part. If the above-mentioned events render delivery or performance impossible, we will be released from the delivery obligation, and the customer/buyer will not be entitled to demand damage compensation.
5. With the exception of the provision in No. III. 4., the customer/buyer can only withdraw from the sale in the context of statutory provisions if the contractor/seller is responsible for the delay in respect of the delivery or performance. The above provision is not associated with any shift of the burden of proof to the client/purchaser's disadvantage. In the event of a delivery delay which is not based on No. III. 4., the purchaser/client must set the contractor/seller an appropriate period for retrospective performance; this should generally not be below two weeks. Once this period has elapsed without success, the customer/buyer may withdraw from those deliveries and performances in respect of which we have not advised despatch readiness prior to expiry of the set period for retrospective performance. The customer/buyer shall only be entitled to repudiate the contract as a whole if the part performance already provided, or further part performances to be provided, are of no interest to the customer/buyer; this applies in particular to multiple delivery contracts. If so requested by the contractor/seller, the customer/buyer is obliged to state, within an appropriate period, whether he is repudiating the contract due to the delivery or performance delay, or whether he insists on the delivery or performance. Part deliveries in respect of the total order volume, or part performances, are admissible if it is reasonable to expect the customer/buyer to accept them.
6. If the contractor/seller should be culpably responsible for a delay, the client/seller may demand compensation for each completed week of delay of 0.5% per week, to a maximum of 5% of the price for that part of the delivery or performance in respect of which the contractor/seller is responsible for a delay; this only applies if the customer/buyer can make a credible case for having suffered damage. Both damage compensation entitlements on the part of the customer/buyer relating to a delay in delivery or performance, and damage compensation entitlements in lieu of performance, which go beyond the limits mentioned above, shall be ruled out in all cases of delayed delivery or performance, even after expiry of any period which the contractor/seller may have been set for delivery or performance. This does not apply in cases of compulsory liability for cases of premeditation, gross negligence, or injury to life, limb or health.

## IV. Shipment, Passing of Risk

1. In the absence of special agreements, packaging, route and means of shipment shall be chosen at our discretion. Risk passes to the customer on acceptance of the goods - part shipments being admissible - by the freight forwarder or carrier or other personnel, including own personnel. In the event of dispatch using own personnel, no liability can be accepted for ordinary negligence.
2. Goods reported as being ready for dispatch in accordance with the contract must be called without delay, since we are otherwise entitled to dispatch them at the expense and risk of the customer/buyer, or to store them at normal market prices.

## V. Order on Call

1. For long-term agreements with continuous delivery we shall be issued with calls and special issues for approximately equal monthly delivery quantities, since we are otherwise entitled to determine delivery at our reasonably exercised discretion.
2. A reasonable period must be given to deal with each call. Unless otherwise agreed, we shall grant a period of 30 days, starting from the day of the agreed call date; if this period expires, we shall be entitled, at our discretion, to invoice the goods immediately and at the same time to store them at the expense of the purchaser until they are called, or to withdraw from the contract or to claim compensation for non-performance.

## VI. Payment

1. Our invoices fall due immediately and shall be payable without deduction within 30 days of invoice receipt unless otherwise agreed.
2. If the customer/buyer falls into payment arrears, we shall be entitled to levy delayed payment interest of 8% above the relevant base interest rate. If the contractor/seller is able to verify greater damage as a result of the arrears, he shall be entitled to enforce this. All the contractor/seller's rights deriving from arrears on the part of the customer/buyer shall remain unaffected thereby.
3. If the customer/buyer defaults, does not honour a bill at maturity or if we should subsequently become aware of circumstances indicating a deterioration in his solvency, our entire accounts receivable shall become due immediately, notwithstanding the above terms of payment. In this case, we shall only be obliged to continue delivery if the customer/buyer offers us payment in advance. If no cash payments are offered concurrent to a delivery, we shall be entitled to claim compensation for non-performance or to withdraw from the contract.
4. The offsetting or assertion of rights of retention on the basis of claims for money not recognised by us or not recognised by declaratory judgement cannot be accepted.

## VII. Retention of title

1. The delivered goods shall remain our property until full payment of all claims resulting from the business connection between the customer/buyer and us. This shall also apply for future and conditional claims, and also if payments have been made towards specifically designated claims. In the event of conduct by the customer/buyer contrary to the terms of the contract, we shall be entitled to take back the purchased article(s). Neither taking back the goods nor attachment of the reserved property represent withdrawal from the contract.
2. If the reserved property is handled or processed, this shall take place for us as manufacturers as defined by § 950 German Civil Code, without any obligation on our part.
3. If reserved property is processed, connected or mixed with other goods, we are entitled to proportional joint ownership of the new goods in the proportion of the invoice value of the reserved property to the invoice value of the other goods and materials used. Insofar as our ownership should lapse through the mixture or connection, the rights of ownership to the new property to which the customer/buyer is entitled in proportion to the invoice value shall be transferred to us and kept in safe custody for us free of charge.
4. The sale of our reserved property by the customer/buyer may only be effected in standard business dealings under normal business conditions and only as long as the customer/buyer is not in default. A precondition for this is, however, that the claim be transferred to us in accordance with the following conditions.
5. The claims by the customer/buyer arising from the resale shall be assigned to us with acceptance without objection of our Standard Terms and Conditions as defined in Section 1.
6. If the reserved property is resold after connection, mixture, processing or together with other goods not supplied by us, the claim from the resale shall be assigned to us in the amount of the proportion of co-ownership.

7. If the reserved property is used by the customer/buyer to fulfil a works contract or works supply contract, Section VII Par. 4 ff. applies accordingly with respect to the assignment of the claim arising from the works supply contract.
8. If the value of our existing securities exceeds the sum of the secured claims by more than 20 %, we shall release securities at our discretion at the request of the customer/buyer.
9. The customer/buyer is entitled to collect the claims arising from resale. This does not apply if he is in default to us or if we revoke the authorisation to collect due to a substantial deterioration of assets of which we gain knowledge.
10. The customer/buyer is obliged to inform his contractual partners of such assignment insofar as this is not effected by us. He is also obliged immediately to give us the information and documents required to collect the claim - but at the latest 6 days after the request is made.
11. Attachments as well as other restrictions of our rights arising from the reserved property represent the legal basis for an obligation to notify us immediately. The customer/buyer is not permitted to assign these claims any further, for example factoring.

## VIII. Performance Description, Tools

1. Insofar as details are defined by DIN standards concerning design, including tolerances to be complied with, these DIN standards shall be complied with in the largest tolerance group. Deviations from the provisions of the DIN standards must be agreed on separately in writing.
2. In all other respects we retain the right to deviate within the standard commercial scope.
3. Thermal treatment requires explicit written agreement.
4. The tools and devices manufactured for production shall remain our property, regardless of the charging of cost shares. If a storage period for the tools is required, this must be stated in writing.
5. Documents of all kinds which we have provided the customer with, for example, samples, drawings and the like, shall remain our property and must not be made accessible to third parties. They must be returned to us at our request at any time, and otherwise without being asked when they are no longer required to deal with the order.

## IX. Inspection and Acceptance

1. The standard inspection of external condition, that is, inspection of the correct dimensions of drawings, superficial faults and superficial cracks, as well as the random sampling of the strength of thermally treated parts, is included in the unit price. Additional inspections are subject to extra charge.
2. If acceptance is agreed, or necessary on account of relevant material standards, this must be effected on our premises immediately on advice of readiness to dispatch; in such cases, any costs that may arise must be borne by the customer/buyer. If the inspection is not effected within 3 days of advice of readiness to dispatch, we are entitled to dispatch the material without any further warning, or to store it at the expense and risk of the customer. Acceptance shall be deemed to have taken place once a further two weeks have elapsed following advice of readiness to dispatch, unless undetectable defects should be present.

## X. Guarantee

1. The customer/buyer must inspect our goods immediately following delivery or following advice of readiness to dispatch. Apparent defects must be notified in writing within 14 days of delivery or advice of readiness to dispatch. In this regard, any processing or conversion must cease immediately. Defects which could not be detected even after the most careful of checks - for example, defects which could only be detected once the item has been machined down - must be notified immediately in writing following their occurrence. The customer/buyer is obliged to check the delivered goods for completeness immediately following delivery. If, in the course of this inspection, he should notice a delivery shortfall, he must notify the contractor/seller immediately, at the latest within 8 days.
  - 1a. In the case of a justified, timely and written notification of defect, the contractor/seller will rectify defects the cause of which was already present at the time of transfer of risk, free of charge; the contractor/seller may decide to rectify the defect either by means of retrospective improvement or by means of replacement delivery. If the retrospective performance should fail, the customer/buyer may demand that the contract be cancelled (repudiation) or that the remuneration be reduced (reduction).
  - 1b. There shall be no warranty entitlements in the case of insignificant deviation from the agreed nature of the goods, or in the case of insignificant impairment of usability. Nor is any guarantee assumed for defects or damage arising for subsequent reasons: unsuitable or improper use, incorrect assembly or commissioning by the customer/buyer or third parties, normal wear-and-tear (especially of parts subject to wear-and-tear), incorrect or negligent treatment, unsuitable operating equipment, replacement materials, defective structural work, unsuitable construction substrate, or chemical, electronic or electrical influences, unless these can be traced back to the contractor/seller's culpability. Any alteration or repair works carried out improperly by the customer/buyer or third parties, or carried out without the contractor/seller's prior approval, will render void the liability for any consequences thereof.
  - 1c. In the case of defect rectification, the customer/buyer must set the contractor/seller an appropriate period for the necessary work to be carried out. If the customer/buyer refuses to set such a period, the contractor/seller shall be exempted from liability for the defect. The customer/buyer is only entitled to rectify the defect himself, or to have it rectified by a third party, and to demand reimbursement of the associated costs from the contractor/seller, in urgent cases where operational safety is endangered, or to avert disproportionately greater damage.
  - 1d. Warranty claims shall become statute barred twelve months following delivery or following advice of despatch readiness to the customer/buyer. This shall not apply in cases where the law prescribes longer periods pursuant to § 634 a I No. 2 of the German Civil Code, or in cases of injury to life, limb or health following a premeditated or grossly negligent breach of duty by the contractor/seller, or in the case of malicious concealment of the defect. The statutory provisions regarding suspension of running time, obstruction and recommencement of periods shall remain unaffected. The contractor/seller will only assume a defect warranty for used goods if this has been expressly agreed in writing with the customer/buyer. The contractor/seller is entitled to refuse to provide a defect warranty for as long as the customer/buyer fails to immediately make the defective goods available on request.
  2. Additional guarantee provisions for high-level safety equipment, elevators for persons and material and load-securing equipment.
  - 2a. In order for us to assess the costs associated with the complaint and repairs, the goods must be shipped to our company's registered office, free of charge. We will not assume responsibility for any incidental or consequent loss, such as dismantling or assembly costs, transport and/or work stoppage costs.
  - 2b. The guarantee does not extend to - Parts which do not originate with us, and which were not assembled by us, such as wire cables etc. - Equipment which was altered or repaired by the customer/buyer or a third party without our agreement, or whose seal has been damaged, - Equipment in respect of which damage can be traced to improper application and utilisation. In such cases, any responsibility on the part of the contractor/seller is repudiated.
  - 2c. The equipment is intended to serve the purpose of personal security, and must therefore be properly operated and handled. The equipment must be reviewed, and checked to ensure faultless operation, every 12 months, either by the contractor/seller or by review offices specifically designated by the contractor/seller. The relevant statutory provisions applicable at the utilisation location must be fully observed.
  - 2d. If other terms should be agreed in the equipment operating instructions, these shall only be valid if the contractor/seller signed both the operating instructions for the equipment in question and the warranty certificate. Once the equipment has been received, the warranty certificate must be returned to the contractor/seller. The contractor/seller's signature indicates that the contractor/seller accepts these warranty provisions. If a warranty claim is made, the relevant operating instructions must always sent in together with the claim.
- ## XI. Liability waiver, third party liability
- The contractor/seller is only liable to the customer/buyer for premeditation and gross negligence in accordance with statutory provisions. The same applies if the goods or items to be delivered lack a warranted quality, or if the contractor/seller is in culpable breach of an important contractual obligation. In the event of the absence of a warranted quality, the contractor/seller shall only be liable if the warranted quality is intended precisely to protect the customer/buyer against the consequential damage occurring as a result of the defect. If the contractor/seller is in negligent breach of a cardinal duty or an important contractual obligation, his obligation to provide compensation - unless otherwise provided for in these General Business Terms - shall be limited solely to the predictable damage typical of the contract. In all other cases, liability on the part of the contractor/seller vis-à-vis the customer/buyer shall be ruled out, regardless of legal grounds. In the case of damage compensation claims relating to damage which did not occur in respect of the goods themselves - so-called consequential damages - the contractor/seller shall also only be liable in the event of premeditation and gross negligence. The contractor/seller shall not be liable for unpredictable damage. This does not apply if the customer/buyer is normally insured against such damage or can obtain such insurance. For the rest, liability is limited to the extent of cover offered by our employers' liability insurance.
- ## XII. Place of performance and jurisdiction, applicable law
1. The seller's head office in Hof shall be the place of performance and sole legal venue for delivery and payment, and for all disputes between the parties.
  2. The relations between the contract parties shall be solely subject to the law obtaining in the Federal Republic of Germany, excluding the UN Law on Sales.
  3. Should individual provisions of these General Business Terms be or become legally ineffective for any reason, the validity of the rest of the contract shall not be affected thereby. The contract parties are obliged to replace the ineffective provision with one which most closely approximates to it in terms of commercial success.