

Lahnwerk GmbH
General Terms and Conditions
(Last revised: 01/2016)

§ 1 - Scope of application

- (1) All deliveries, services and offers of the seller are subject to these general terms and conditions. These are part of all contracts concluded by the seller with its business partners (herein after also referred to as "customer") on the goods or services offered by it. They also apply to all future deliveries, services or offers to the customer, even if they are not agreed separately again.
- (2) Terms and conditions of the customer or third parties do not apply, even if the seller of their application in individual cases does not contradict separately. Even if the seller receives a letter containing the terms and conditions of the customer or a third party or refers to such, this shall not constitute the agreement with those terms.
- (3) Deviations from these conditions - especially the validity of purchasing regulations of the purchaser - require our express written recognition.

§ 2 - Contract conclusion

- (1) Our offers shall be non-binding.
- (2) The order shall be a binding offer. It shall be our decision whether to accept this offer within a time period of two weeks by sending a letter of order confirmation.
- (3) All agreements made between us and the customer concerning the execution of the contract and all legal declarations must be in writing, the written form is also met if our side declarations electronically (for example, by e-mail without signature) are received or fax. Verbal agreements are only valid insofar as they are confirmed by us in writing.
- (4) We shall reserve all proprietary and copyrights to cost estimates, drawings, data stored on data media, and other records. Without our prior written consent, they shall not be rendered accessible to third parties.

§ 3 - Sale prices

- (1) Unless differently specified in the letter of order confirmation, our prices shall be ex works, excluding packaging apply for export deliveries customs and fees and other public charges.
- (2) Prices do not include the legally applicable amount of value-added tax.

§ 4 - Payment

- (1) The seller reserves the right to make its services available electronically by e-mail invoice. Our invoices are payable within thirty days of the invoice date without deduction. If the buyer defaults on payment, we are entitled to charge default interest at the rate of 9 percentage points over the base rate. If we can prove higher damages, we are entitled to assert this. If we are in the position to prove more damage caused by the delay, we shall be entitled to raise such a claim.
- (2) The buyer shall only be entitled to make use of the right to set-off amounts, if his counterclaims are determined by final judicial decision as non-disputed, or otherwise are recognised by us.
- (3) The seller is entitled to effect any outstanding deliveries or services only against advance payment or security or payable if circumstances become known to him after conclusion of the contract, which are suitable to reduce the creditworthiness of the purchaser markedly and by which the payment of outstanding claims of the seller by the purchaser from the relevant contractual relationship (including other individual orders, applies to the same framework agreement) is endangered.

§ 5 - Shipping/Transport/Passage of risk

- (1) The buyer shall assume the risk for loading and shipping. Loading and shipping are not protected by an insurance policy.
- (2) The buyer assumes the risk (transport and compensation) once the goods have left the plant or storage of the seller, disregarding whether transport is carried out through own or external means.
- (3) If the shipment is delayed due to circumstances controlled by the buyer, or if shipment is to take place at a later time than agreed per the buyer's request, the buyer shall assume the risk for the duration of the delay, starting on the day he was notified of the seller's readiness to ship.
- (4) We shall make every effort to accommodate the buyer's requests and interests in respect of type and means of shipping. The buyer shall be responsible for any additional costs arising thereof - even if transport at no charge to the buyer was agreed on. We shall not assume costs for disposal of packaging.

§ 6 - Delivery

- (1) The beginning of the delivery period presupposes the clarification of all technical and commercial issues.
- (2) The delivery deadline is met if prior to deadline expiry the delivery item has left the factory or readiness for dispatch is notified.
- (3) The delivery period is extended appropriately in the event of labor disputes, especially strikes and lockouts as well as unforeseen obstacles that are beyond our control insofar as such obstacles demonstrably on the completion of the delivery of the object of considerable influence. The aforementioned circumstances are also not our responsibility if they occur during an already existing delay. The buyer will be informed by the beginning and end of such obstacles as soon as possible.
- (4) In case of culpable exceeding an agreed delivery time delivery delay is given only after a reasonable period.
- (5) If the buyer is in default of acceptance or violates other obligations to cooperate, we are entitled to claim compensation for the damage incurred by us including any additional expenses. In this case, the risk of accidental loss or accidental deterioration of the goods at the time to the buyer goes to the latter is in default of acceptance.
- (6) The seller is entitled only to partial deliveries if (i) the partial delivery is suitable for the client within the contractual purpose, (ii) the delivery of the remaining ordered goods is ensured and (iii) no major additional effort or costs to the client incur (unless the seller agrees to assume these costs).

§ 7 - Manufacturing tools

- (1) We shall demand an advance payment over a short term, if auxiliary materials are required to complete the order.
- (2) Such auxiliary materials, produced or procured by us, shall remain to be our property as a result of our design services and this right shall be unaffected by any financial contributions from the buyer for such materials.
- (3) We shall not assume any liability in respect of usability of the goods, which have been made available to us by the buyers. In these instances as in any other respects, offers presented and orders accepted shall be non-binding until the level of usability has been clarified conclusively. The proprietor shall exclusively assume any expenses for repair and maintenance as well as the manufacturing risk for the goods.

§ 8 - Obligation to maintain secrecy

- (1) The contractual parties shall be obligated to treat all confidential, not commonly known, commercial and technical information and details they learn about us as classified business information.
- (2) Design data, drawings, models, samples and similar objects shall not be made available or accessible to unauthorised third parties. Replication of such objects shall only be

permitted within the bounds of operative requirements and by complying with copyright provisions.

- (3) Sub-suppliers are to be obligated accordingly.
- (4) Only with the prior written consent shall the contracting partners utilise the business connection for advertising purposes.

§ 9 - Warranty

- (1) We shall grant warranty for the acceptable manufacture of the goods ordered in accordance with the technical delivery specifications. If we have to deliver in accordance with data, drawings, specifications, etc. provided by the buyer, he shall assume the risk of ascertaining the suitability for the use intended. The time at which the risk passes shall be the decisive factor for determining the contractual condition of the goods.
- (2) We shall not be liable for defects arising from inappropriate or improper use, faulty assembly or commissioning respectively by the buyer or a third party, usual wear and tear, faulty or negligent treatment, or the consequences of improper modifications or repair works performed by the buyer or a third party without our explicit consent.
- (3) The length of the warranty period shall be valid according to statutory provisions, unless agreed on otherwise in writing.
- (4) On receipt of the item of sale at the place of destination, the buyer shall have to immediately lodge a complaint in writing in respect of exposed defects and in the event of latent defects as soon as he has noticed such defects, while complying with the buyer's obligations of examining and lodging a complaint according to §§ 377, 378 BGB.
- (5) Lodging a complaint due to a deficiency shall be excluded, if the acceptance of the goods or an original sample inspection have been agreed and the buyer could have determined the deficiency if he had carefully examined the shipment prior to accepting or if he had carefully examined the original sample.
- (6) We shall have the opportunity to determine for ourselves the deficiency complained about. At our request the goods in question shall be shipped to us immediately. If the complaint is justified we shall assume the expenses of transport. The buyer shall lose possible entitlement to warranty, if he does not meet these obligations or if he makes any modifications to the goods subject to the complaint.
- (7) In the event of a justified and timely notice of defects, at our discretion we shall repair the goods in question or we shall deliver an acceptable replacement.
- (8) Should we not fulfil these warranty obligations within the bounds of this contract or within appropriate time limits or if the repair is to no avail, the buyer shall be entitled to set a final time limit in which we are to meet the obligations. If the time limit set has elapsed to no avail, at the buyer's option he shall be entitled to a reduction in price, withdraw from the contract, or to repair or charge a third party with the repair of the defect at our expense and risk. If the buyer or an authorised third party has successfully repaired the defect, any claims of the buyer shall be invalid as soon as he has been reimbursed for the costs incurred.

§ 10 - Compensation for damages

- (1) The seller's liability for damages, regardless of the legal grounds, in particular due to impossibility, delay, defective or incorrect delivery, breach of contract, breach of obligations in contract negotiations and tort, insofar as it is in matters of fault, according to this § 10 is limited.
- (2) The seller is not liable in cases of simple negligence of its organs, legal representatives, employees or other agents, to the extent it is not a breach of contractual obligations. Essential contractual obligations are the obligation of timely delivery and installation of the delivery item, its freedom from defects that impair its functionality or suitability for use more than just irrelevant, consulting, and duties regarding which should permit the purchaser to contractual use of the delivered goods or the protection the lives and health of personnel of the customer or the protection of its property object from significant damage.

- (3) If the seller is liable on its merits for damages in accordance with § 10 (2), this liability is limited to damages which foresaw when concluding the contract as a possible consequence of a breach of contract, the seller or he due diligence should have foreseen when. Indirect damages and consequential damages resulting from defects in the delivery item are also only eligible for compensation if such damage under normal use of the delivered goods are typically to be expected.
- (4) In case of liability for simple negligence, the liability of the seller for property damage and resulting loss of damage is limited to an amount of EUR XXXXXX per claim (according to the current coverage of its product liability insurance or liability insurance), even if it is a breach of contractual obligations.
- (5) The above mentioned exclusions and limitations apply to the same extent in favor of bodies, legal representatives, employees and other agents of the seller.
- (6) If the seller provides technical information or acts as a consultant and this information or advice is not part of the owed contractually agreed scope of services, this is done free of charge and without any liability.
- (7) The limitations of § 10 shall not apply to the seller's liability for deliberate actions, for guaranteed characteristics, for injury to life, body or health or according to the product liability law.

§ 11 - Reservation of ownership

- (1) The seller reserves the ownership of the goods until all claims of the seller against the buyer from the business relationship, including future claims arising from simultaneous or subsequent contracts are settled. This also applies if individual or all claims of the seller have been included in a current account and the balance has been struck and accepted.
- (2) The buyer is only entitled to resell the goods in the ordinary course of business when he herewith cedes the seller all claims, which arise from the resale to customers or third parties. If conditional goods are sold unprocessed or after processing or mingling with goods which are the exclusive property of the buyer, the buyer assigns the claims arising from the resale completely to the seller. If reserved goods from the buyer - by arrangement / connection - sold together with goods not belong to the seller, the buyer assigns the claims arising from the resale to the value of the reserved goods with all ancillary rights and priority over the rest. The seller accepts the assignment. To collect these claims, the buyer is entitled to do so even after assignment. The seller's right to collect the claims itself remains unaffected; however, the seller undertakes not to collect the claim as long as the buyer meets its payment and other obligations. The seller can demand that the buyer discloses the assigned claims and their debtors, provide all information required for collection, hand over the relevant documents and informs the debtors of the assignment.
- (3) The buyer will treat or process the reserved goods for the seller without incurring any obligation for the latter. In processing, combining or mixing of the reserved goods with other goods not belonging to the seller of goods, the seller is the resultant co-ownership of the new item in proportion to the value of the goods to the other processed goods at the time of processing, combining, mixing or mingling. If the buyer acquires sole ownership of the new product, the contracting parties agree that the buyer to the seller in relation to the value of the processed or connected , mixed or combined reserved property in the new object given and as bailee without compensation for the seller .
- (4) If, in connection with the payment of the purchase price due by the buyer, a liability of the seller, the retention of title as well as the requirement that underlying shipments of goods shall not expire until the bill of exchange by the buyer as drawee.
- (5) If the value of existing securities exceeds the secured claims by more than 20 % exceeds, the seller is obliged at the buyer's request to release.
- (6) The seller is entitled to demand at any time the publication of the documents belonging to objects to make particular the rights of rejection or assignment of the claim to consideration in the bankruptcy procedure, if the performance of its receivable is jeopardized by the purchaser, in particular over its assets, insolvency proceedings opens

- or significantly deteriorate its financial circumstances. The retention of title and seizure of the goods delivered by the seller shall not be deemed as a withdrawal from the contract.
- (7) In case of seizure of the goods or other act of intervention by third parties in the interest of the seller, the buyer must notify him immediately and do in coordination with him all necessary action to avert the threat. So far as it is advisable for the protection of the goods the buyer shall, at the request of the seller, assign claims to him. The buyer is obligated to reimburse all damages and costs - including court and attorney fees - incurred by the buyer through intervention measures against access by third parties.

§ 12 - Evidence of export shipment

The buyer shall have to deliver evidence of export shipment required for tax purposes, if he or his agent does not reside in the Federal Republic of Germany (foreign buyer) and is picking up, transporting, or shipping the goods abroad. If this evidence is not delivered, the buyer shall have to pay the prevailing turnover tax for shipments within the Federal Republic of Germany on the applicable invoice amount.

§ 13 - Turnover tax identification number

The buyer shall have to inform us of his turnover tax identification number under which he claims his income taxes within the EC, in respect of deliveries from the Federal Republic of Germany to other EC member countries. Otherwise, he shall be charged the amount of turnover tax legally due for the shipment in addition to the agreed purchase price.

§ 14 - Final provisions

- (1) The invalidity of individual provisions shall not effect the validity of the remaining provisions. If the contract or these general terms and conditions contain regulatory gaps, then for filling these gaps the legally valid provisions applied which the parties would have agreed to the commercial aims of the contract and the purpose of these general terms of delivery, if they had known about these gaps.
- (2) The place of jurisdiction shall be Biedenkopf/Lahn. The contract shall be subject to the Laws of the Federal Republic of Germany. Application of Hague's Uniform Laws on Purchases, the Uniform UN Law on Purchases or other Law conventions on the purchase of goods shall be excluded. Our place of business shall also be the place of execution, unless other provisions have been agreed on according to the letter of order confirmation.

Note:

The customer takes note that the seller stores data from the contractual relationship in accordance with §28 federal data protection act for the purpose of data processing and reserves the right to use the data as necessary to fulfill the contract, to submit a third party (for example, insurance).