

General Delivery Conditions and Payment Terms

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§1 Preliminary remarks

- 1) All our offers, order confirmations and contractual agreements underlie to our delivery conditions and payment terms.
- 2) Other conditions will not be recognized by us, even if we do not refer to them continuously in our constant business relations.
- 3) Different agreements to be effective require in individual cases our written confirmation as well as oral and written explanations from the mediators working for us.

§2 Offers and order confirmations

- 1) Our offers are – also through mediators – subject to confirmation. The contracts will be binding only after our written order confirmation.
- 2) The technical information contained in our offers, order confirmations and in other documents see themselves as related to the DIN standards, without assured properties therein.

§3 Delivery and delivery periods

- 1) The place of performance for our obligations is Velbert, Germany. The collection of the goods is a matter of the customer, only on specific request we arrange the forwarding at the risk and expense of the customer. The insurance cover of the goods against transport damages etc. is a matter of the customer. We cannot accept liability for determining the best freight price.
- 2) We aim to perform a quick completion of the order. At the same time the indicated manufacturing and delivery dates are only approximated and without obligation.
- 3) The promised terms begin to run as soon as all particulars of the manufacturing are defined, confirmed to the customer and the agreed down-payment is credited on our account, and/or a guaranty/letter of credit under § 5, clause 5 is presented. A referred period is met with the notification of the delivery readiness in our plant.
- 4) Partial deliveries are permissible.
- 5) The failures in the course of business beyond our control, exceptional events and all other cases of force majeure extend the delivery time accordingly. If the failure results that even after the course of four months the stated delivery period the delivery was not yet possible, we are entitled to withdraw from the contract, without giving rise to claims against us by the customer, with exception of a refund for the services already rendered.
- 6) After expiry of the time for delivery, the customer is entitled to allow us a period of grace of three weeks and after expiry of this time he can withdraw from the contract or bring forth a claim for compensation considering the provisions to §9, clause 5.

§4 Transfer of risk

The danger of loss or damage of the ordered items will be transferred to the carrier upon collection / handover. If the collection or handover is delayed by the carrier, so the danger by the end of the 3rd day after the customer receives our notification of completion goes over to him.

§5 Prices and payment terms

- 1) All indications of prices, including the expenses payable by the customer for packaging and dispatch are indicated as net prices, plus the valid value-added tax (VAT) unless not shown separately.
- 2) If a time period of more than four months elapses between the date of the order confirmation and the date of delivery and if the material prices and wages increase in this period, so the agreed price will increase accordingly.
- 3) Special requests of the customer that exceed the contractually agreed service, such as subsequently requested changes, are only binding with our written confirmation of the subject terms of contract which are to be paid separately by the customer.
- 4) Our bills are payable in the absence of any different written agreement as follows:
 - 40% on the date of receipt of our order confirmation
 - 40% on the date of receipt of our notification of completion
 - 20% 30 days after receipt of our notification of completionDiscount payment reductions will not be accepted.
- 5) If we request it, the customer has to hand over a directly enforceable guarantee / letter of credit of a bank or savings bank with headquarters in the Federal Republic of Germany to the value of the contractually agreed amount.
- 6) In the event of delay of payment we are entitled without prejudice with the possibility to apply wide-ranging requirements, entitled to claim charge interests on the amount outstanding at the rate of 6% over the present valid discount rate of the Germany Central Bank. The customer remains at liberty to provide proof that no or only slighter damages have been incurred.

§6 Set-off, retention and objection of failure to perform the contract

- 1) The right to demand a set-off is only entitled to the buyer with undisputed or legally proved counterclaims.
- 2) For carrying out a right of retention, the customer is only authorized in case that it is based on the same contractual relationship. The same applies to the assertion of the rights from the paragraph 320 of the German Civil Code.

§7 Acceptance

- 1) As long as an acceptance is not already agreed and occurred in our factory, the delivered item is considered accepted at the latest three weeks after receipt by

the customer, if the customer does not inform in writing within that time the reasons to the contrary. The date of receipt of the statement at our place is relevant.

- 2) We will indicate the customer separately about this fiction of the acceptance. If this does not happen, so fictional effects will appear only three weeks after receipt of a recovered indication. An effective acceptance detectable on a possible very early date remains unaffected.

§8 Reservation of proprietary rights

- 1) The subject of the contract remains our property until all the accounts receivable resulting from the contract as well as the previous business relationship due to us have been settled.
- 2) If the customer processes the commodity delivered by us, combined or mixed, he is transferring us the co-ownership to the value equal of our service.
- 3) Followed by land properties from third parties, the customer transfers to us now all his rightful claims against the third-party in connection with an own land which in case of sale, all arising claims to the amount of the obligations including additional costs and costs of eventual legal proceedings against the corresponding buyer. We accept this assignment.
- 4) If the buyer alienates conditional goods – no matter whether unchanged, combined, mixed or processed – so he transfers to us from now on the receivables occurred to him against the purchaser up to the amount of our receivables, including incidental claims and costs of eventual payment tracking. We accept this assignment.
- 5) If the customer cannot keep up with his payment obligations toward us, he will be obliged upon request, to provide us with all information required for the assertion of the claims assigned.
- 6) If the customer finds out about compulsory measures of third parties in our property or the surrogate, he has to inform us immediately and provide us with all further required information and documents for the legal proceedings. The necessary costs of the prosecution bear the customer.
- 7) If the value of the conceded securities given to us should exceed our receivables by more than 30%, so we commit ourselves at our discretion to a refund guarantee or release.

§9 Guarantee and liability for breach of contract

- 1) The warranty period with purchase contracts is 6 months after delivery, with contracts for work/for work and materials 6 months after acceptance.
- 2) However if there is an evident deficiency on the product, the not commercial customer has to report in writing this deficiency within a period of 3 weeks from the date of receipt with him, on collection and/or acceptance at our plant from this date. Decisive is the time of entry of the indication with us. Otherwise we will be free from the guarantee obligation.
- 3) In dealing with our commercial customers apply the obligations to inspect and notify a defect according to paragraphs 377, 378 of the German Commercial Code, also with completion of the contracts for work as well as for work and materials.
- 4) If thereafter we have to grant a warranty to the customer, his rights will be limited at our discretion initially at a rework or product replacement. The customer has to set a reasonable deadline in writing. If the rework will fail or the replacement remains undone, it will cause to the customer legal warranty claims of change (termination of the contract) or discount (reduction in the price).
- 5) If we have to compensate the customer for damages, irrespective of the legal basis, so our duty is limited – if legally permissible – in cases of intentional or grossly negligent debt.

§10 Liability and infringements

During the construction of our products we examine carefully the legal situation with respect to third parties' property rights. We are on the other hand not responsible for such violations of protective rights, which are based that the machines are constructed in accordance with the documentation of the customer or used for the production of patented products. Insofar the customer alone bears the responsibility.

§11 Claims for damages against the customer

In the event we are entitled by culpable non-fulfillment of the contract by the customer to claim compensation of damages against him, we are free at our discretion, instead of the concrete proof to charge a flat rate of 90% from the net value of the order.

The proof that no damage or only a small one has occurred, remains to the customer.

§12 Final provisions

- 1) On our legal relations with the customer applies exclusively the law of the Federal Republic of Germany.
- 2) The place of performance is Velbert. The place of jurisdiction for all claims as a result from the legal relationship and its settlement is Velbert.
- 3) The rights of the customer arising from the contractual relationship are not transferable without our express consent.
- 4) The ineffectiveness of individual terms does not affect the effectiveness of all other terms.