

General Sales and Delivery Terms and Conditions

1. Scope

The following terms and conditions apply exclusively to all our sales transactions, unless agreed otherwise in writing or if additional conditions apply to specific products. This is also the case if the purchaser has notified us of its own differing General Terms and Conditions. Any counter confirmation by the purchaser referring to its differing General Terms and Conditions is herewith expressly rejected. Silence by the purchaser regarding our General Sales and Delivery Terms and Conditions shall be deemed to be acceptance.

These General Sales and Delivery Terms and Conditions apply to all future transactions, even if we do not refer to them again but they have been received by the customer in an order confirmation from us.

We reserve the right to transfer the claims from our business relationships.

2. Conclusion of contracts

- (1) Our offers are subject to confirmation and are non-binding. Declarations of acceptance and all orders require written (also electronic) confirmation from us in order to be valid. This shall also apply to addenda, amendments or side agreements.
- (2) Drawings, images, dimensions, weights or other specifications are only binding if this is expressly agreed in writing.
- (3) The delivery contract is deemed to have been concluded if we have confirmed the acceptance of the order in writing or if the delivery has been made. Each order from the customer is binding. In the event of *obvious* typos, print and calculation mistakes in offers, we reserve the right to withdraw.
- (4) We do not assume any procurement risk. We reserve the right to withdraw from the contract if a subcontractor defaults for reasons, for which we are not responsible.
- (5) Samples are always on-binding display samples. The production of all standardised screws, nuts and similar threaded and moulded parts shall be in accordance with DIN 267, unless there are separate specifications in the respective standards. This shall also apply to non-standardised screws, nuts and other parts (drawing parts) unless expressly agreed otherwise in writing.
- (6) The customer is required to accept the shipment.
- (7) If it is agreed that the goods must be purchased within a specific period, we reserve the right to deliver the goods in equal or approximately equal monthly partial deliveries. The customer can only demand delivery in partial deliveries of a specific size if we have consented to this in writing.
- (8) If the customer does not request one or more partial deliveries on time, it shall remain obliged to pay corresponding to the payment date for contractual acceptance. It is not entitled to demand supplemental delivery before all other partial deliveries to be made on the basis of the contract have been accepted.
- (9) If a shipment is rejected, we reserve the right to withdraw from the contract by written declaration and to demand compensation for non-performance.

3. Delivery

- (1) All deliveries are at the customer's risk, even if the price is carriage paid to the delivery address.
- (2) Insofar as this is usual for the corresponding object, and if there are no instructions from the customer regarding shipping route and method, delivery is at our discretion without guarantee for the cheapest shipping method. For FRANCO deliveries, we reserve the right to choose the shipping route and method. Additional costs resulting from instructions issued shall be born by the customer.
- (3) The customer shall bear the costs for returns from the customer's site.
- (4) Unless agreed otherwise, delivery shall be ex stores to the delivery address stated by the customer. Information about delivery times is non-binding unless a delivery period has been bindingly agreed in writing in exceptional cases. Delivery periods confirmed as

binding shall start upon conclusion of the contract. If subsequent amendments are agreed in writing, a new delivery date or period shall be agreed.

- (5) In the event of delay of service, we shall be liable in cases of culpable or gross negligence by us or our representatives or vicarious agents in accordance with the statutory provisions. In other cases of delay of service, our liability is limited to compensation and, instead of service, to 5% of the value of the part of the delivery affected by the delay. Other claims by the customer - also after expiration of a period for service set by us - are excluded. The amount limit shall not apply to liability for injury to life, limb or health.
- (6) Late deliveries, which are caused by statutory or official orders (e.g. import and export restrictions), are not our responsibility. This shall also apply to force majeure, uprising, strike, lock-out and considerable disruptions to operations for which we are not at fault. The customer cannot derive claims for compensation therefrom. If service is delayed for these reasons by more than four weeks, the customer reserves the right to withdraw from the contract in respect of the services affected by the delay. Further claims are excluded, insofar as the delay is not due at least to gross negligence.
- (7) We reserve the right to exceed or undercut the quantities stated in the order by up to 10%. In the case of short deliveries, subsequent deliveries cannot be made. If exact quantities are demanded from us, we reserve the right to demand a surcharge of 6% on our price list.

4. Prices and billing

- (1) Our prices are in EUR (Euro) and, unless stated otherwise, do not include VAT. VAT is charged separately at the statutory amount.
- (2) Granted discounts, rebates, credit notes, etc. are charged at prices excluding VAT.
- (3) Any changes to customs or taxes after conclusion of the contract shall be charged to the customer. It shall also bear all costs incurred after conclusion of the contract as a result of official or statutory orders. If, in accordance with the contract, the delivery is later than 30 days after confirmation of order or request, the price valid on the date of delivery shall be charged and considered agreed.
- (4) Insofar as the amount of test costs is not agreed in an individual case, the amount of test costs charged by us shall be based on the currently applicable version of our test costs price list.

5. Payment

- (1) All payment periods start upon receipt of the invoice. Payments that meet our claims must be made according to the payment conditions granted by us unless expressly agreed otherwise in writing. Unless specified otherwise, payment must be made within 8 days with a 2% discount or 30 days after receipt of invoice without deduction. All payments must be made with debt-discharging effect to VR FACTOREM GmbH, Ludwig-Erhard-Strasse 30-34, 657602 Eschborn, to which we have transferred our current future claims from our business relationships. In the event of payment into a bank or post office current account named by us, and for cheque payments, payment shall be deemed to have been made only upon the unreserved crediting of the amount to the bank account of VR FACTOREM GmbH. We have also transferred our retention of title to VR FACTOREM GmbH.
- (2) If we accept bills of exchange, acceptance is deemed to be fulfilment of the payment. Fulfilment shall only apply from the unreserved redemption of the bill of exchange. Transaction and bank fees and the taxes incurred on these shall be born by the customer.
- (3) If we issue bills of exchange and provide them to the customer or a third party at the customer's request, notably in conjunction with the so-called cheque-bill exchange, the redemption of the bill of exchange by the drawee shall be deemed to be the debt-discharging payment, notably as defined in Section 8 of these Terms and Conditions (Retention of title). This shall also apply if we have received the purchase price earlier

by cash payment, cheque, bank transfer or otherwise. Paragraph 2 sentence 2 shall apply correspondingly.

- (4) We do not assume guarantee for the timely and proper submission, contestation or drawing of bills of exchange or cheques.
- (5) If the customer is partly or fully in arrears with payment, we reserve the right to charge interest at the statutory amount from the respective time. We reserve the right to prove higher damages. If the customer is in arrears with payments - for agreements with partial payments, arrears of 2 consecutive instalments - all the customer's payment obligations due to us shall become payable immediately, irrespective of the term of any bills of exchange included. Furthermore, we reserve the right to withdraw from the contract after unsuccessful expiration of an additional reasonable period for payment, irrespective of our rights in Section 7. The right of withdrawal shall also apply if circumstances become known, which are appropriate for reducing the customer's creditworthiness. Furthermore, we reserve the right to demand the provision of collateral for all other claims from the business relationship and to make any outstanding deliveries only after payment in advance or upon provision of collateral.
- (6) Payments are always used to settle the respective oldest debt and the interest accrued whereby the interest shall be paid first, then the actual debt.

6. Offsetting / Right of retention

- (1) The purchase price is payable in full according to the conditions of Section 5. The customer is in arrears 10 days after the due date without further declaration by us, unless it has paid. In the case of any defects, the customer is not entitled to a right of retention, insofar as this is not in an appropriate relation to the defects and the estimated costs of supplementary performance (notably correction of a defect). In addition, the customer is only entitled to exercise a right of retention to the extent that its counterclaim is based on the same contractual relationship or if the counterclaims are undisputed or legally upheld.
- (2) The customer only reserves the right of offsetting if its counterclaims are legally upheld or have been expressly acknowledged by us in writing.

7. Retention of title

- (1) All supplied goods shall remain our property (conditional goods) until fulfilment of all claims, in particular also the respective outstanding balances, to which we are entitled within the framework of the business relationship. This shall also apply to future and conditional claims, e.g. from acceptor's bills, and even if payments are made to specifically designated claims. This shall also apply to claims which are justified by the insolvency administrator unilaterally when opting for performance.
- (2) All goods delivered by shall us remain our property until all - also future - claims have been paid, to which we are entitled from the customer within the framework of the business relationship. If the goods are processed or altered, this shall be only on our behalf; we are the owner of any new objects created from the processing or altering. The customer shall not derive any claims against us from the processing or altering. However, the following shall apply in exceptional cases to vested rights obtained by the customer to the conditional goods:
The customer shall obtain vested rights to acquire ownership to the processed or altered goods, the value of which shall be calculated using the part of the contractually agreed purchase price already paid. If our goods are combined or mixed with objects belonging to other third parties as a result of processing or altering or otherwise, we shall become joint owner of the result of the process in accordance with Section 947, 948 BGB.
- (3) The customer may resell the goods delivered by us only after processing and only subject to the retention of title until full payment of the purchase price and only as part of ordinary business. By contrast, the customer may resell the goods in an unprocessed condition only if this has been expressly agreed in writing.

- (4) The customer herewith assigns to us all claims arising from the resale of such goods, including all securities which the customer receives for the transferred claims. They shall act as security to the same extent as the conditional goods. If the conditional goods are sold by the customer together with other goods not purchased from us, the claim from the resale shall be assigned to us in the ratio of the invoice amount of the conditional goods to the invoice amount of the other goods. In the case of a sale of goods, over which we have joint ownership according to paragraph 2, a proportion corresponding to our share of the joint ownership shall be assigned to us. When processing within the framework of a contract for services the wage claim shall be assigned to us at the pro rata amount of the invoice charged by us for the processed goods.
- (5) The customer reserves the right to collect claims from the resale in its own name. It shall forward the value of the invoice amounts for the conditional goods to us from the amounts collected. This collection authorisation shall lapse in the case of revocation, not later than upon occurrence of arrears, non-redemption of a cheque or bill of exchange, or in the event of an application for insolvency proceedings to be opened. We shall only exercise our right of revocation if become aware of circumstances resulting in a significant deterioration of the customer's asset situation that could threaten our claim to payment. At our request, the customer shall immediately inform its customers of the transfer of the claim to us and shall provide us with the information and documentation required for collection. The customer is not entitled to assign the claim further in any case. This shall also apply to factoring transactions, for which the customer is not authorised on the basis of our collection authorisation.
- (6) The customer must immediately inform us of a seizure or other interference by third parties. The customer shall bear all costs that have to be incurred to prevent interference and for replacement of the purchased object, insofar as they cannot be collected from third parties.
- (7) If the value of existing securities exceeds the amount of the secured claims, including incidental claims (interest, costs or similar) by a total of more than 50%, upon request from the customer we shall release securities at our discretion until the excess is no longer greater than 50%.
- (8) If the customer is in arrears, or if it does not present a cheque or bill of exchange when due, we reserve the right to take back the conditional goods and to this end to enter the customer's site or stores. The return is not a withdrawal from the contract.
- (9) We can withdraw from the purchase contract or parts of the purchase contract by written declaration if the customer becomes insolvent, overindebted, suspends payments or if the purchaser submits an application for insolvency. The right of withdrawal must be declared before insolvency proceedings are opened. The customer must inform us immediately of insolvency, overindebtedness or suspension of payments. If the customer omits such a notification, it shall pay us 5% of the value of the goods. We can also prohibit the resale, processing and disposal of the conditional goods. The provisions of the insolvency directive shall remain unaffected hereby.
- (10) Withdrawal from the contract is not necessary to assert the rights from the retention of title, unless the debtor is a consumer.

8. Guarantee

We are only liable for deviations of the goods supplied by us from the agreed or usual conditions according to the conditions of these General Terms and Conditions and, in particular, subject to the following provisions:

- (1) Defects to goods must be reported in writing immediately, not later than 14 days after delivery. Defects, which cannot be discovered within this period, even after a careful check, must be reported to us in writing immediately upon discovery and subject to immediate suspension of processing and altering.
- (2) After an agreed acceptance of the goods has been carried out by the customer, complaints regarding defects, which were identifiable during the agreed acceptance, are excluded.

- (3) Claims due to defects do not exist for only inconsiderable deviations from a contractually agreed condition or in the case of only inconsiderable issues with usability.
- (4) In the case of justified, timely complaints, we reserve the right either to claim back the goods and to supply fault-free goods instead, or to correct the defect. If the customer wants to demand compensation instead of performance, or wants to correct the defect itself, or to withdraw from the contract, failure of the supplemental delivery shall only apply after an unsuccessful second attempt. The statutory cases of dispensability of notice shall remain unaffected. Liability for consequential damages is excluded.
- (5) The customer shall immediately give us the opportunity to check the defect, in particular to provide the defective goods or samples upon request. If the customer does not fulfil this obligation, any liability shall lapse.
- (6) We shall assume guarantee for supplemental performance or deliver in the same way as for the original delivery or service.
- (7) The guarantee period is 12 months. The guarantee period shall start on the date of delivery. This period and the start of the period shall also apply in the event of breaches of duty outside material and legal defects. Expiration of the period shall not be prevented by negotiations that are started upon request from the client.

9. Liability and expiration

- (1) In cases of culpable or gross negligence by us or our representatives or vicarious agents, we are liable according to the statutory provisions. Moreover, we are only liable according to the Product Liability Act for injury to life, limb or health or because of culpable breach of significant contractual duties or insofar as we maliciously conceal defects or have assumed a guarantee for the condition of the delivered goods. The claim for compensation for a breach of significant contractual duties is limited, however, to the typical contractual foreseeable damage. However, liability for damage to the customer's interests resulting from the delivered goods is excluded in full. The conditions of sentences 3 and 4 of this paragraph shall not apply insofar as there is liability for culpable or gross negligence or because of injury to life, limb or health, or if we have maliciously concealed the defect or have assumed a guarantee for the condition of the delivered goods.
- (2) The conditions of paragraph 1 above cover compensation as well as performance and compensation instead of performance for whatever legal reason, in particular for defects, breach of duties from the debt relationship or from illegal conduct. They also apply to the claim reimbursement of costs incurred in vain. Liability for arrears is determined according to paragraph 3 below and liability for impossibility according to paragraph 4 of this Section.
- (3) In the event of delayed performance in the cases of culpable or gross negligence by us or our representatives or vicarious agents, we are liable according to the statutory provisions. In other cases of delayed performance, our liability for compensation as well as and instead of performance is limited to 5% of the value of the part of the delivery affected by the delay. Further claims by the customer are excluded - also after expiration of a period for performance set for us. The above limit does not apply in the event of liability due to injury to life, limb or health. The customer's right of withdrawal shall remain unaffected.
- (4) Insofar as delivery is impossible, the customer reserves the right to demand compensation according to the statutory provisions. However, the customer's entitlement to compensation shall be limited to compensation as well as or instead of performance and to reimbursement of costs incurred in vain up to 10% of the value of the respective part of the delivery which cannot be used as a result of the impossibility. Further claims by the customer because of impossibility of delivery are excluded. This restriction does not apply in the event of liability due to injury to life, limb or health. The customer's right of withdrawal shall remain unaffected.
- (5) The expiration period for compensation claims due to defects - on whatever legal grounds - is 12 months.

- (6) The expiration period according to paragraph 5 shall also apply to other compensation claims against us irrespective of the legal basis. It shall also apply if the claims are not connected to a defect.
- (7) The above expiration periods shall apply with the following conditions:
 - a) The expiration period does not generally apply in the case of culpable negligence
 - b) The expiration period according to paragraph 5 shall not apply if we have maliciously concealed a defect or insofar as the vendor has accepted a guarantee for the condition of the delivered goods. If we have maliciously concealed a defect, the applicable periods according to Section 438 para. 1 No. 2 BGB (materials for buildings) or No. 3 (other objects) shall apply instead of the period stated in paragraph 5, to the exclusion of the extension in the event of malice according to Section 438 para. 3 BGB.
 - c) The expiration period according to paragraph 5 shall not apply either, insofar as the delivered good is an object which is used for building corresponding to its usual method of use and which causes defects.
 - d) The expiration period according to paragraph 5 shall not apply to claims for compensation in cases of injury to life, limb and health, to claims according to the Product Liability Act or in the event of culpable breaches of significant contractual duties.
- (8) The expiration period for all compensation claims shall start upon delivery.
- (9) Insofar as this Section refers to compensation claims, this shall include all claims for reimbursement of costs in vain.

10. Place of performance and place of jurisdiction

- (1) Place of performance for our delivery obligations is the destination of the shipment of our goods or the place of collection by the customer. Place of performance for payment obligations by the customer is Löhne.
- (2) Place of jurisdiction for all mutual claims and liabilities, also for bills of exchange and cheques for merchants is Bad Oeynhausen or Frankfurt am Main, at our discretion. This shall also apply if the customer does not have a general place of jurisdiction in Germany or relocates its place of domicile outside Germany after the contract is concluded.
- (3) The parties' legal relationships are subject to the law of the Federal Republic of Germany, in particular, the German Civil Code (BGB) and the German Commercial Code (HGB). The UN Convention on the International Sale of Goods (CISG) as amended shall not apply to the legal relationships between us and our contractual partner.

11. Miscellaneous

- (1) If conditions of a contract are or become invalid in full or in part, this shall not affect the validity of the contract as a whole. In place of the invalid condition, the contractual parties shall agree a condition which comes as close as possible to the commercial and legal content originally desired by the contractual parties.
- (2) All amendments or addenda to contract require the written form in order to be valid. This shall also apply to an amendment to the written form requirement.

As at March 2011