

General Terms and Conditions

§ I *General:*

1. These General Terms and Conditions shall apply to persons who act on the conclusion of the contract in the exercise of their commercial or self-employed occupational activity (entrepreneurs), or with legal entities under public law or a special fund under public laws.
2. All quotations, order confirmations, deliveries and performances are subject to these General Terms and Conditions as well as to any other contractual agreements which may have been entered into. Deviating purchasing conditions of the Buyer shall not be included in this agreement and the acceptance of orders shall not imply such inclusion.
3. The Terms and Conditions also apply to all future business relations, even if they are not expressly agreed upon again.
4. We hereby explicitly object to any counter-confirmations by the Buyer referring to the validity of his general terms of business.
5. Unless special arrangements have been made, a contract is deemed to be concluded with the written order confirmation by the Supplier. Letters of confirmation and all orders require the written confirmation by the Supplier to be legally valid. This confirmation may also be provided by fax or e-mail (including EDI, remote data transmission and machine readable data carriers). This also applies to supplements, amendments or ancillary agreements. Billing is deemed as confirmation of the order. This written order confirmation shall be decisive for determining the extent of our delivery.
6. Drawings, illustrations, dimensions, weights or other performance data are only binding if this is expressly agreed in writing. All drawings and documents shall be returned without undue delay upon request by the Supplier or in case a contract is not awarded.
7. The Supplier reserves the title and copyright to all samples, drawings and other documents - including in electronic form. They may not be disclosed or made available to third parties. This applies in particular to information marked as confidential.

§ II *Prices and Terms and Conditions of Payment*

1. The prices indicated in the Supplier's quotations are subject to confirmation and non-binding. Unless otherwise stated, prices shall be understood to be ex-works including loading at the factory, but exclusive of packaging, unloading, postage, freight costs and other transport costs, insurance and customs duties. These will be billed separately. The packaging will be charged at cost. Value Added Tax shall be added to the prices at the respective legally prescribed rate.
2. The minimum order value is € 100.00 (one hundred Euros) net.
3. The prices specified in our quotations and order confirmations are based upon our actual cost factors. In the event of any changes hereto, we reserve the right to appropriate adaptation.
4. The payment terms are explained individually and in detail in the quotations and are deemed as agreed upon at confirmation of order. As a rule, all invoices shall be payable in Euro at the paying office of the Supplier within 30 days from the date of invoice, net without deductions, or within 14 days from the date of invoice after the deduction of 2% discount. No discount shall be applicable if the purchase price receivables from previous invoices are still pending. Any cash discounts shall be deducted from the total gross invoice amount.
5. A payment shall only be deemed to have been made when the Supplier has disposal over the amount.
6. The Buyer shall only be entitled to a right to withhold payments, or offset them against counterclaims, insofar as his counterclaims are undisputed or have been determined by final judicial decision. The Buyer will be in payment default without receipt of a reminder if he fails to pay the purchase price within the agreed payment period and must replace damages caused by the default. The interest rate for arrears is the current account interest rate, however, at least the statutory base interest rate.

§ III *Delivery Date and Delivery Period*

1. The delivery dates and delivery periods indicated by the Supplier are not binding unless they have been expressly confirmed in writing. Individual delivery time agreements shall be required for on demand and blanket orders.
2. Delivery periods shall commence on the date the Buyer's order is available. Compliance with the delivery deadline requires that all commercial and technical issues between the parties are clarified and the Buyer has fulfilled all his obligations, e.g. procurement of the required official certificates or approvals, especially the rendering of a down-payment as agreed in point 1.5. The compliance with the delivery period is subject to the correct and punctual delivery by our Supplier. If delays are apparent, the Supplier shall inform the Buyer as soon as possible.
3. The delivery period is deemed as complied with, if the delivery object has left the Supplier's factory before the expiry of this period or if the Supplier has notified the Buyer of the readiness for shipping.
4. Partial deliveries shall be permissible to the extent that they are reasonable.
5. In the event that non-compliance with the specified delivery period is caused by Force Majeure, labour disputes or other events which the Supplier cannot influence, the delivery period shall be extended by an appropriate and reasonable time. The Supplier shall communicate the time of commencement and conclusion of such circumstances to the Buyer as soon as possible.

The Buyer only has the right of withdrawal in such cases, if the delivery period is exceeded by more than 10 weeks. Otherwise, the Buyer is only entitled to terminate the agreement if the Supplier has informed the Buyer that the order cannot or can no longer be fulfilled. This restriction does not apply to fixed orders. Should the manufacturing of the order be impossible as a result of this Force Majeure or labour disputes, the Supplier is released from the obligation of rendering services and may withdraw from the contract.

6. If the Supplier is late with the delivery period agreed upon in writing, the Buyer can withdraw from the contract if he has extended the original deadline by at least 14 days unless a deadline is not dispensable in exceptional cases.
7. If shipping of the delivery items is delayed upon request of the Buyer, the Supplier shall be authorized to charge the Buyer for expenses the Supplier has incurred for storage, for storage at the Supplier's warehouse, beginning two weeks after notification that the goods are ready for shipment, at a minimum of ½ % of the invoice amount per month.

§ IV *Transfer of Risk/Acceptance*

1. The transfer of risk to the Buyer takes place when the delivery objects leave the Supplier's plant, external warehouse, or in case of direct delivery of goods not manufactured in our premises, leave the warehouse of one of our subcontractors. This shall also apply when Supplier has taken on other services, e.g. shipping costs or delivery and assembly.
2. On request of the Buyer the delivery shall be insured - at the cost of the Buyer - by the Supplier against breakage, transport, and fire and water damage. If acceptance for the delivered goods has been agreed upon, the Supplier is entitled to insure the subject of delivery against the above mentioned risks at the Buyer's cost.
3. If shipping and or collection of the delivery items is delayed or does not take place, due to circumstances which the Supplier is not responsible for, the risk passes to the Buyer as of the day of the notification of readiness to ship.
4. Delivered goods shall be accepted by the Buyer even if they show minor defects notwithstanding the Buyer's rights in accordance with Section 7.
5. If an acceptance procedure has to be carried out, this is decisive for the transfer of risk. This process must take place immediately on the planned date of acceptance, alternatively after the Supplier gives the notification of readiness for acceptance. The Buyer may not reject acceptance if there are no major faults / defects. In the event of delay or failure of the acceptance on grounds for which the Supplier is not responsible, the risk will be transferred to the Buyer from the day of notification of readiness for acceptance on part of the Supplier.

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§ V *Application-technological Advice / Right of Change*

1. The application, use and processing of the goods supplied is the exclusive responsibility of the Buyer. The verbal and written application-technological advice by the Supplier is only to be regarded as a non-binding note, even with reference to possible property rights of third parties, and it does not release the Buyer from checking the products for their appropriateness for the intended processes and purposes. Should a liability of the Supplier still be considered, it is limited to the value of the respectively supplied products. Construction designs are subject to change.

§ VI *Retention of Title*

1. The delivered goods shall remain the property of the Supplier until the Buyer pays all the liabilities resulting from this business relationship. The retention of title shall extend to the new finished products, if reservation of title should lapse owing to processing or mixing in the new item.
2. The Buyer has the right to process and sell the goods subject to retention of title during a regular business transaction. He does not have the right to pledge the goods or transfer them by way of security. In the case of further sale or further processing, the Buyer hereby assigns to the Supplier all claims from the further sale including all secondary rights to the third party to the amount of the invoice with the authorization of a proportionate entitlement, as security.
3. In the event of attachment of the reserved property by third parties, the Buyer immediately has to indicate the Supplier's ownership and undertakes to immediately notify the Supplier. The Buyer is liable for all costs and damages.
4. In the event of default of payment on part of the Buyer, the Supplier will have the right to withdraw from the contract and take back the goods at the Buyer's cost or, if required, demand an assignment / transfer of the handover claims of the Buyer against the third party. The Supplier's right to demand compensation of damages shall remain unaffected. This shall also apply if the Buyer carries out activities contrary to the contract.

§ VII *Claims for Defects*

1. The Supplier guarantees that the newly produced products are free from defects in material and workmanship at the time of transfer of risks and furthermore exhibit the condition agreed upon in order confirmation.
2. The Buyer shall only have the right to claim for defects where he has properly fulfilled his inspection and notification obligations pursuant to Art. 377 German Commercial Code (HGB).
3. The period of limitation for any claims and rights due to defects is 12 months. This period starts with the notification of readiness for delivery.
4. Any exclusion of deviations customary in the industry shall require an explicit written agreement. The same applies to guarantees. Information provided by the Supplier in catalogues, brochures and price lists concerning the products and services to be supplied shall only represent descriptions, designations or approximate values, unless different information is provided in the order confirmation. Products which display minor or insignificant differences when compared with information provided in catalogues or previously supplied goods shall not be considered to be defective.
5. The Buyer shall have sole responsibility for determining whether the goods that he has ordered from the Supplier are suitable for his intended purpose. Unsuitable products shall only be deemed to be defective if the Supplier has confirmed in writing to the Buyer that they are suitable for the intended purpose.
6. The wear and tear of working parts within the scope of usual use shall not constitute defect.
7. If the Supplier's assembly, installation, distribution or maintenance instructions are not complied with, modifications are carried out on the products or components are exchanged or consumables used, which do not comply with the original specifications, deficiency claims shall only exist if the Buyer can prove that the defect was not caused by this, but already existed at the time of passing the risk.

8. The Buyer has to give the Supplier the necessary time and opportunity to carry out all repairs and replacement deliveries which seem to be essential according to equitable discretion, regarding the agreement with the Supplier; otherwise the Supplier is exempt from the liability from defects. Only in urgent cases that endanger the operational safety, of which the Supplier needs to be informed immediately, or when the Supplier is in delay with rectifying the defects does the Buyer have the right to rectify the defect himself or have a third party do the repair and to demand appropriate repayment for his costs from the Supplier.
9. The Supplier carries the direct costs incurred by the repair or replacement delivery insofar as the complaint has proven to be justified.
10. The warranty for replaced goods is the same as for the delivery items. The termination for the defect liability for the delivery item is extended by the duration caused by the operational interruption due to the rectification.
11. The Supplier may refuse to remedy defects if the Buyer has not fulfilled his obligations.
12. Any and all liability for repair work performed by the Buyer or third parties without consent by the Supplier is excluded.
13. Further claims by the Buyer, in particular a claim for replacement for damages that have not occurred at the delivery item itself, are excluded.

§ VIII *Confidentiality*

Unless otherwise explicitly agreed in writing, the information received pertaining to the orders is not considered confidential.

§ IX *Data Privacy*

The Supplier is entitled to store and process all data relating to the Buyer obtained in connection with the contract for his own purposes observing the provisions of the German Federal Data Protection Act.

§ X *Severability*

Should any provision of these Terms and Conditions, and any further agreements based upon them, be or become ineffective, then the validity of the remaining parts of this agreement shall remain intact.

§ XI *Place of Jurisdiction - Place of Performance*

The place of jurisdiction is Bad Honnef. The Supplier is however entitled to take action against the Buyer at his registered office.

§ XII *Applicable Law*

The laws of the Federal Republic of Germany apply to these Terms & Conditions and the entire legal relationship between the Supplier and the Buyer. The United Nations Convention of 11 April 1980 for the International Sale of Goods ("CISG") shall not apply.

Bad Honnef, 28.01.2014

Signed, the Managing Directors of Contec® GmbH