

## Conditions of Sale

AUFT Export GmbH  
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### I. Supply Contract

1. Our quotations are always without engagement. Supply agreements only become binding on us through our written acknowledgement. All sales and supply contracts are based on our conditions of sale which the purchaser declares himself to be in agreement and which are deemed to be recognized by the placing of the order.
2. General terms and conditions of the purchaser of which the contents deviate from our terms, are not recognised by us and already today oppose their inclusion in the contractual relationship.
3. In the event of items made to order, the purchaser shall declare his agreement to an adjustment of the contractual quantity of up to 10%. The same shall apply by analogy to the calculation of the excessive quantity. Part deliveries shall be permitted.

### II. Prices and Terms of Payment

1. The prices are to be understood, unless agreed otherwise, excluding packaging, ex works. Value added tax at the current statutory rate is added to the prices.
2. Our invoices are due for payment upon receipt of the invoice. In the event of a discount agreement, deduction of discount for early payment can only be effected within the time limits agreed if the purchaser is not defaulting on settlement of older invoices at the point in time of payment.
3. Subject to deviating agreements, the statutory provisions for default shall apply. The purchaser shall be placed in default, at the latest, 30 days after receipt of the invoice. The statutory interest on arrears shall be eight percentage points above the respective basic interest rate.
4. In the case of counter claims not recognised by us nor subject to a non-appealable decision against us, the customer can neither offset nor make claims for a right of retention on the basis of such claims.
5. We shall reserve the right to cancel the granting of a loan to the extent that the granting of payment periods is within the scope of these conditions, if there is an objectively justifiable reason for this. We shall be entitled, at any time, to demand for an existing account receivable what is, at our discretion, adequate security. If our request is not met, all of our accounts receivable shall become due immediately. The application for insolvency procedure, the giving of a statement in lieu of an oath, payments difficulties occurring or the becoming known of a significant deterioration of the financial circumstances of the purchaser shall entitle us to suspend deliveries at once, to refuse the performance of current contracts and to declare our outstanding accounts receivable to be due for payment.
6. The minimum order value shall be 150,- Euro. For orders for a lower amount, an extra charge of 25,- Euro shall be made.

### III. Delivery Time

1. The delivery date confirmed by us presupposes the agreement of both parties concerning the conditions of the business transaction. It shall be automatically postponed by the period of time lying between receipt of the purchase order and despatch of the order acknowledgement, if the delay in processing the purchase order is beyond our control.
2. The delivery time shall be deemed to have been adhered to, if up to its expiry, the item delivered has left the works or advice of readiness for despatch has been sent.
3. Exceeding of the delivery date shall be our responsibility only assuming an uninterrupted operating sequence. In particular in cases of Force Majeure and other disrupting events experienced by us, our suppliers or the forwarding companies, for example business or transport disruptions, fire, flooding, shortage of manpower, energy or raw materials, strike, lockout, measures of public authorities, we shall not be at fault. In those cases, we shall be entitled to cancel the contract.
4. If we exceed the delivery date by more than 4 weeks, the buyer can, after the expiry of a reasonable extension of the period set by us, cancel the contract, if the goods are not ready for despatch by the expiry of the period. Damages for non-performance shall be excluded unless intent or gross negligence are imputable to us. Claims for damages shall be restricted to the reasonably foreseeable type damage typical of the contract.
5. In the event of later amendments to the contract which can influence the delivery time, the delivery date shall be postponed to a reasonable extent, unless special agreements are made on this.
6. The delivery date shall also be postponed, if the purchaser does not meet his due contractual obligations.

### IV. Despatch and Transfer of Risk

1. The goods shall be forwarded at the consignee's risk, irrespective of the place of despatch. If despatch or acceptance of the goods ready for despatch are delayed for reasons beyond our control, despatch shall be deemed to have been effected at the point in time of receipt of the advice of readiness for despatch by the purchaser and the risk shall pass to the latter at this point in time.
2. Insurance against damage in transit shall be taken out only at the request and expense of the purchaser.

### V. Warranty, Liability

1. Our goods shall be free of defects, if they show the agreed characteristics at the time of passage of risk. This shall apply also in the presence of minor defects or slight quantity deviations.
2. The purchaser shall be obliged to examine our products thoroughly for defects after their receipt and to inform us without delay, if defects are ascertained.
3. Incorrect assembly instructions / instructions for use shall not trigger any claims as to defects concerning our goods. No guarantee shall be provided for the correctness of advertising statements of component suppliers / starting material suppliers.
4. Justified claims for defects shall be aimed at subsequent performance. Subsequent performance shall be effected, at our discretion, by remedy of defect or delivery of goods free of defects. Subsequent delivery shall be restricted to performance at the domicile of the purchaser.

5. If subsequent performance fails twice, the purchaser can cancel the contract or reduce the purchasing price.
6. Claims for damages shall be excluded. This shall not apply in the case of intent, gross negligence of the owner or executive or in the case of culpable violation of essential contractual obligations. In the case of culpable violation of essential contractual obligations, we shall accept liability, except for in cases of intent and gross negligence of the owner or executives only for the reasonably foreseeable type of damage typical of the contract.
7. Claims for defects shall be subject to the statute of limitations within one year of the delivery of the goods. This is also valid for recourse claims.
8. Mandatory product liability law with inclusion of loss of life, physical injury or health impairment shall remain unaffected.

#### **VI. Retention of Title**

1. The goods shall remain our unrestricted property until payment of the full purchase price.
2. The retention of title shall cover all accounts receivable, also in the future, from the business relationships, even if the purchase price for specially designated goods has been paid. In the case of account current, the title retained shall secure the balances receivable.
3. The purchaser shall be entitled to sell the goods subject to retention of title in ordinary business transactions only in accordance with the following provisions:
  - a. The goods subject to retention of title may be sold only with retention of title.
  - b. The accounts receivable in relation to his customers arising from resale, must not be subject to any prohibition of assignment. Sale to customers who exclude the possibility of assignment or make it dependent upon their approval, shall be prohibited. If the purchaser sells goods subject to retention of title with or without processing, we shall be entitled to all receivables from the customer in the amount of the value of the goods subject to retention of title including profit margin. If resale occurs together with goods not belonging to the purchaser, we shall be entitled to the receivables in the amount of the value of the goods subject to retention of title excluding the profit margin of the purchaser. If the goods subject to retention of title are sold on the basis of contract for work, work performance contract or similar contracts, the same shall apply by analogy.
  - c. The purchaser has to exclude the possibility of his customers claiming rights (i.e., offsetting) against the receivables from the sale of the goods subject to retention of title.
  - d. Sale in ordinary business transaction does not include sale to a further lender, such as to a factor for his security but is restricted to sale to genuine customers. The purchaser shall assign his receivables and any possible subsidiary rights from resale. The assignment shall be accepted by us. It serves to the same extent as the goods subject to retention of title themselves.
  - e. We are in addition to the purchaser authorised to collect the account receivable from resale. We shall collect the receivable only if the purchaser does not meet his payment obligations in an orderly manner. On request the purchaser must inform us of the customers with the corresponding accounts receivable and grant us the right to examine his books. We shall be entitled to disclose the assignment to the customers.

- f. We shall be entitled for any important reason, in particular in the case of delay in payment, bill and cheque protests, applications for insolvency proceedings and similar indications of the deterioration of the purchaser's financial situation, also without withdrawal from the contract, to demand the immediate surrender of the goods subject to retention of title. Until then, the purchaser has to store the goods subject to retention of title, to mark them as our property, not to dispose of them and at our wish to hand over a list of the goods subject to retention of title.
- g. The purchaser must, without delay, advise us of the seizure by third parties of the goods subject to retention of title or the assigned receivables and to send us the record of attachment and statement in lieu of an oath concerning the fact that the attached item is identical to the goods subject to retention of title.
- h. Upon payment of all of the accounts receivable from the business relationship, ownership of the goods subject to retention of title shall pass without further ado to the purchaser. We undertake to release securities at our discretion at the purchaser's request to the extent that the value exceeds the receivables to be secured by 10%.

#### **VII. Place of Performance, Venue and Applicable Law**

1. Place of performance for all obligations under the contractual relationship shall be the domicile of the supplier's registered head office.
2. In the case of all disputes arising from or in connection with the contractual relationship, Arnsberg /Hochsauerland / Germany shall be deemed to have been agreed upon as the venue. However, we can also take legal action at the purchaser's domicile. Our general terms and conditions on which all agreements and quotations are based, shall be deemed as a result of placing of the order or acceptance of delivery as recognized; they can be amended by us at any time. Conditions of a different wording are ineffective even if we do not expressly object to them; they shall be effective only if they have, in an individual case, been recognized by us in writing. The ineffectiveness of individual provisions shall otherwise not affect the effectiveness of these terms and conditions. Agreements by telephone or other verbal agreements shall require written confirmation in order to become legally effective.
3. The contractual relationship shall be governed by German law to the exclusion of the UN Convention on the International Sale of Goods (CISG).  
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