

General Terms and Conditions of Delivery and Sale Werner Ditzinger GmbH

§ 1 General - Area of Application

(1) The basis for the realization of all deliveries, agreements and offers in the commercial turnover are exclusively subject to our Terms and Conditions in its present version, also if in the future we do not clearly refer to them. By placing an order or accepting a delivery or service, the Client acknowledges the fact of their validity.

(2) These Terms and Conditions shall also be valid if the Customer has informed us about their own general terms and conditions different from these Terms and Conditions or if the Customer was provided them in writing. Own Terms and Conditions of the Customer cannot be incorporated into the agreement without the express consent of the Seller or the Seller's representative.

(3) Sections (1) and (2) shall not be applicable if the Customer is a consumer.

(4) Any amendments and supplements to these Terms and Conditions shall be made in writing.

§ 2 Conclusion of contract

(1) The Customer shall place an order in writing as a letter or a facsimile. It may also be via electronic form, e.g. e-mail, provided that the principal may be identified unquestionably as the sender, according to standards in force.

(2) The Seller shall retain the title and copyright to illustrations, drawings, calculations and other documents made available by the Seller. The documents may not be made available to any other third party without an express consent of the Seller.

(3) In cases where the contents of the order confirmation is in contradiction to the order, then the order shall be considered to be valid unless such order has not been recalled within 8 days from its sending.

(4) Section (3) shall not concern commercial transactions with consumers and any other persons who are not sellers as understood by the commercial code.

§ 3 Prices / Terms of payment

(1) Prices in the commercial turnover shall be the net prices to which respective VAT must be added. Pricing and payment shall be in Euros (€). Additional costs related to the payment in a foreign currency shall be borne by the Customer.

(2) Circumstances that occur 4 months subsequent to the conclusion of the contract and incur a significant unexpected influence that change the price calculation and those on which the Seller has no influence, shall entitle the Seller to change the agreed price, but only to the sum

that justifies the circumstances. Such situations shall occur in particular in the case of a change in legislation, decisions of authorities, etc. The new price agreed in this manner shall be calculated on the same basis as in the case of the original price and shall not be applied to increase the profit.

(3) Payments shall be made within 10 days from the date of receipt.

(4) In case of payments made after the date stated in Section 2 the consumer shall be calculated interest for delay of five percent exceeding the base interest (§§ 288 Section 1, 247 Civil Code). Other customers shall pay interest for delay of 8 percent over the base interest (§§ 288 Section 2, 247 Civil Code). The right to claim further damages due to delay in payment is reserved.

(5) Cheques and drafts are accepted only as a conditional payment. They will be accepted only if agreed individually.

(6) The Customer may request to set-off and the right of retention of part of the goods or non-payment of the entire price, only if the claims are indisputable, recognized or valid.

§ 4 Terms of delivery

(1) The delivery date is considered met if, before its expiry, the ordered goods left the warehouse or, in case of orders, realized *ex loco* – the factory of the manufacturer or if the readiness for dispatch was reported.

(2) If the customer must take any steps or create conditions which are required for the delivery or services, the delivery date shall be postponed respectively. In such case the delivery date must be agreed upon once more.

(3) If the Seller cannot fulfill his obligations due to any occurrence of force majeure that was not foreseen at the conclusion of the contract, e.g. dispute between the employer and staff, strikes, company closing, unexpected stoppage, sudden failures and unavoidable reductions of raw materials etc. or any other circumstances beyond the Seller's control, then for the duration of obstruction the Seller shall be released from the realization of his obligations. The agreed term for delivery shall be extended by the period of obstruction. Customer claims for the above circumstance shall be excluded. During the obstruction the Customer shall also be released from the contractual obligations. The Seller shall immediately notify the Customer on the commencement and finish of the obstruction in accordance with this Section and presents evidence of its occurrence at the latest within 6 months from the finish of the obstruction as understood on the basis of this Section.

(4) If the realization of delivery is delayed due to reasons caused by the Customer, the Customer shall compensate the Seller all additional costs that arise due to this delay.

§ 5 Passing of risk / Dispatch

(1) The Customer shall bear the price risk from the transfer of goods for dispatch to the person authorized for this purpose.

(2) At the Customer's request the Seller shall insure the goods from theft, damage during transport, fire and water and other insurable risks.

(3) Partial deliveries shall be acceptable provided the Customer accepts them.

(4) If the Customer does not accept the delivery due to own fault, then the Customer shall pay damages to the Seller of 5% of the net value of the order. The Seller reserves the right to make other claims than mentioned above. The Customer shall have the right to show evidence that the occurring damage is less than shown in the claim.

§ 6 Reservation of title

(1) The Seller reserves the title to the object of delivery until receipt of payment for the transaction. The reservation of title shall also refer to the balance if the Seller accounts the receivables from the Customer in the current account (reservation of current account).

(2) The Seller shall have the right to withdraw the delivery if the Customer's conduct is inconsistent with the terms of the contract, in particular in the case of delay in payment. In such case the Customer shall release the goods. If the case is not included in the consumer loan provided for in the Civil Code, the Seller withdrawing the delivery shall not terminate the contract, unless the Customer expressly demands such termination in writing. The seizure of the delivered goods shall always mean the termination of the contract. In case of seizure of goods or any other interventions of any third party, the Customer shall immediately notify the Seller in writing that the Seller may file the case to court in accordance with § 771 of the Code of Civil Procedure. If the third party is unable to return the court and out of court costs to the Seller according to § 771 of the Code of Civil Procedure, the liability for the Seller's losses shall be borne by the Customer.

(3) The Customer shall have the right to sell the seized goods as a normal commercial transaction. The Customer hereby assigns to the Seller all receivables of the final sum as shown in the invoice (VAT inclusive) that arise in result of re-selling the goods to his buyers or third parties, irrespective if the delivery has been resold without any agreements or after such agreements. The Customer shall have the right to collect the receivables also after the assignment of the receivables. The Seller shall have the right to collect receivables himself but undertakes not to collect it for as long as the Customer meets his payment obligations correctly and is not in default with timely payments. In the last case the Seller shall have the right to demand from the Customer to disclose the assigned receivables and that the creditor submits all necessary information for the collection of receivables and release related documents and informs creditors (third parties) on the assignment.

(4) If the delivered goods are joined or mixed inseparably with objects/goods not belonging to the Seller, the Seller shall acquire the right to co-ownership of the new product in the percentage equal to the ratio of the delivered goods value to the product with additions or admixtures on the moment of such joining or mixing. If joining or mixing occur in such a manner that the Customer's product is to be treated as a main product, it is agreed that the Customer shall give the Seller part of the title in respective percentage. The Seller shall keep for the Customer the exclusive title or co-ownership. The Customer gives to the Seller the

right for third parties to secure the Seller's claim resulting from the joining of the delivered goods with the land.

(5) The Customer shall have the right to release the reserved ownership of the security exceeds 110% of their realization value. The right to such release shall be also when the estimated value of goods to which the title has been transferred as a security is 150% of the secured receivables.

§ 7 Buyer's rights in case of defective goods

(1) If the Customer is a consumer then he has the rights resulting from the Act on claims on defective goods. The sections below do not concern such group of Customers.

(2) The Customer shall immediately inspect the goods after their delivery. Claims are excluded in the case of reporting a defect later than three days from the completion of delivery. Hidden defects must be reported to the Seller immediately after their finding, but no later than within three days from the delivery. The report shall be sent by registered mail. Report on defect shall be sent exclusively to the Seller.

(3) If the defect in the delivered goods was reported within the set time limits, the Seller may decide to replace or repair the goods. If the repair is not possible or was not successful, the Customer may demand discount or nullification of the contract.

(4) The Customer's claims due to additional activities for the contract realization shall cease after 12 months from the delivery.

(5) Parts of goods listed by the Seller during the realization of changes shall become the Seller's property.

(6) In accordance with generally applied practices the Customer shall enable the Seller to carry out any necessary corrections. If the Customer incurs any damage in result of these activities, the Seller shall not be liable for them.

(7) The Seller shall have an option to conclude a separate contract with the Customer concerning the warranty.

(8) The Seller shall be liable for the damage resulting from the defective goods only if such damage is caused by the Seller's non-performance of obligations resulting from the contract due to gross negligence or non-performance of obligations by his representative or persons assisting in the order execution.

(9) This reservation shall not be valid if the faulty non-performance of obligations by the Seller, his legal representatives or persons assisting in the order execution caused a threat to life, bodily damage or health impairment, when the situation requires to be covered by damage liability.

(10) Sections 2,3,4 and 9 (11) shall not be applicable if the Seller was assigned the warranty for a limited period of time for a given type of qualities of the sold goods. The right to make claims due to the Act on warranty on products shall remain in full force and effect.

§ 8 Exclusion of warranty / Limitation of warranty

(1) The Customer shall only have the right to repair damage claims, irrespective of their nature, in particular for the damage occurring due to errors in the signing of contracts or due to non-performance of additional obligations resulting from the contract of provisions of the law, when such damage occurred due to gross negligence by the Seller, legal representative of the Seller or persons assisting in the order execution.

(2) The above reservation shall not concern the expected damage occurring due to the non-performance of material obligations in the contract. In such case the Seller shall be liable for the damage only if it was possible to predict its occurrence. The Seller shall not be liable for unpredicted drastic crisis situations.

(3) The above reservation shall not be valid if the faulty non-performance of obligations by the Seller, his legal representatives or persons assisting in the order execution caused a threat to life, bodily injury or health impairment, so only when the situation requires to be covered by liability.

(4) The right to make claims due to the Act on warranty on products shall remain in full force and effect.

§ 9 Termination

(1) The Seller may terminate the contract if, after conclusion of the contract, occurred circumstances over which the Seller had no control and which make the execution impossible or make it very difficult (e.g. no delivery of goods by the sub-supplier for which the Seller is not responsible or delivery only in very difficult conditions).

(2) The Seller shall have the right to terminate the contract, if the Customer breached terms of contract indisputably, in particular, if the Customer could be charged with the failure to maintain the due diligence with the delivered goods on the principle of reserving the title.

(3) The Seller shall have the right to terminate the contract, also if the Customer provided false information concerning his credit ability. This shall also apply when the Customer objectively has no credit ability and payment claims of the Seller may be endangered. The same shall be applicable when the Customer made a promise in place of an oath.

(4) In other cases termination of the contract by the Seller and the Customer shall be provided by the regulations of the law.

§ 10 Jurisdiction / Competence of Court

(1) The legal relations between the parties shall be exclusively governed by German law, to the exclusion of the UN Convention on the International Sale of Goods (UNCITRAL/CISG).

(2) The competent court for the settlement of all disputable matters concerning the contract shall be Braunschweig. This shall only concern entrepreneurs according to the Commercial Code.

(3) Moreover the Court in Braunschweig shall have jurisdiction if the parties reach an agreement already after a disputed case starts. The Parties agree that in the case of the Customer changing his address or his place of residence not known and he is not under the German Code of Civil Procedure on the date of filing a case with the Court, the competent court shall be the Court in Braunschweig.