

General sales conditions of SEIBERT-PFV



§ 1 – scope of application –

Our quotations, our deliveries and services only take place solely to these general conditions of sales and are only aimed to companies in terms of § 14 BGB (code of German Civil law). These general conditions of sales are valid also for all further business relations even if they have not been expressly agreed again. Purchaser's acknowledgements referring to his own terms and conditions are not recognized and are hereby rejected. The acceptance of alternative conditions of the purchaser requires our explicit written confirmation.

§ 2 - quotation – quotation documents – order - rescission

- 2.1 Our quotations and delivery promises are subject to change and without obligation. The contracts get only effective by our written order confirmation or by our on-schedule delivery. In case of an on-schedule delivery the invoice has to be understood as an order confirmation.
- 2.2 Unwritten – oral or by telephone – agreements require a written confirmation. In particular, all our employees are committed to confirm oral sub agreements or all promises besides the content in the written contract or which will change these general conditions of sale to our disadvantage in written form. The written form is also preserved by fax, email or any other kind of data transmission. Our employees, sales agents or other sales personnel are not authorized to make any deviating commitments to the subject matter of the contract and guarantees and to deviate from the requirements of the written order confirmation.
- 2.3 Variations of weight, number of items and other sales units are allowed up to $\pm 10\%$. In case of tolerances on thicknesses we reserve a variation of $\pm 10\%$ and in case of tolerances on sheet sizes a variation of $\pm 2\text{mm}$. For custom-made products, we reserve the right to vary by more than $\pm 10\%$ depending on the raw materials to be used.
- 2.4 Solely the purchaser has to check and to test the suitability of the delivered object of the contract with regard to the end-user application or the process demand due to the fact that the application and production processes are not part of the object of the contract.
- 2.5 It is also the customer's sole responsibility to check whether certain services and products are subject to special import and export restrictions or import and export conditions and to comply with them. The purchaser is responsible for obtaining the necessary documents or approvals. Without the necessary documents or consent, the customer acknowledges that the services and products can't be exported or sold further on. The purchaser is responsible when ordering to inform if a certificate of origin is required.
- 2.6 In case of emerging circumstances after the conclusion of the contract which cast the credit rating of the purchaser into doubts, we are entitled to ask for prepayments. We are allowed to withdraw from the contract with exclusion of any claims of compensation, if the purchaser disapprove the prepayment

§ 3 – prices – payment – payment terms

- 3.1 Our prices have to be understood – in case nothing else has been agreed – ex works without packaging which will be invoiced separately and other costs incurred to settle the contract.



- 3.2 In case that no fixed prices have been agreed, we reserve the rights for reasonable price adjustments due to alterations of salary, raw material, distribution expenses and/or due to direct or indirect extraordinary expenses for shipments which are realised one month or later after conclusion of contract. These price adjustments will be proven on request of the purchaser.
- 3.3 In case of no other agreements all payments have to be transferred without any discount within 21 days after day of invoice on our accounts mentioned on our invoices. All kind of charges and transfer costs are at the expense of the purchaser and are due at once.
- 3.4 The deduction of cash discount is only allowed due to a particular written arrangement.
- 3.5 In the case of default on the part of the purchaser, we charge interest at the rate of 8% above the applicable base interest rate annually - but at least 10%. We reserve the right to assert a higher delay for damages, as the customer is entitled to prove to us that the delay in payment caused no or only a minor damage.
- 3.6 If, after conclusion of the contract, facts are known which make the creditworthiness of the purchaser appear as doubtful, we are entitled to demand payment in advance. If this is rejected by the customer, we can withdraw from the contract to the exclusion of substitute claims.
- 3.7 If reasonable doubts arise as to the customer's ability to pay, such as slow payment, late payment, bill of exchange or check, we may demand security or cash payment in return for performance. If the customer does not comply with this request within a reasonable period, we can withdraw from the part of the delivery contract which has not yet been fulfilled. The deadline is dispensable if the customer is clearly not able to guarantee the security, as if, for example, the opening of the insolvency proceeding was requested for the assets of the customer.
- 3.8 In spite of other provisions of the Purchaser, we will be entitled to count made payments of the purchaser on purchaser's older debts. Possible already incurred Costs and interest are taken into account before deducting the payment from the actual performance, even if the purchaser determines otherwise.

§ 4 – summation and right of retention

- 4.1 The purchaser is only entitled to summation, if his counterclaim is undisputed and legal determined. The purchaser is only authorized to exercise his right of retention, if his counterclaim is based on the same contractual relationship.

§ 5 – delivery time

- 5.1 The delivery period starts with the sending of the order confirmation, but it requires the clarification of all details of the order execution and technical questions as well as the receipt of an agreed down payment. The delivery period will be complied with if the goods have left the factory by the deadline or the dispatch is notified. Furthermore, adherence to our delivery obligation presupposes the agreed and proper fulfillment of the obligations of the customer.
- 5.2 Partial deliveries and corresponding invoices are permitted in an appropriate extent for the customer.



- 5.3 If the dispatch is delayed due to circumstances for which the customer is responsible, we reserve the right to
- to store the goods with us or with third parties at the expense of the customer. In case of storage in our house, we are entitled to charge a storage fee of 1% of the invoice amount for each month started. In case of storage at third parties, the invoiced costs will be passed on to the customer in full. The purchaser is entitled to prove a lesser loss.
 - to rescind the contract or to demand compensation due to non-fulfillment after setting a reasonable period of grace and its unsuccessful expiration.
 - the Purchaser will bear any additional costs which may arise from not timely given instructions or missing execution of necessary formalities - e.g. the procurement of import licenses or export licences.
 - The customer also bears the risks resulting from the non-fulfillment of these obligations of accidental deterioration and accidental loss.
 - We reserve our rights for additional pretensions.
- 5.4 Act of god, disruption in operation, strike and industrial conflicts, difficulties in raw material and energy purchase, forwarding delays, lack of labour, energy and raw material, sanctions of authorities, difficulties of granting import-or export licences and other unforeseeable not avoidable disruptions will extend the delivery deadline for the durability of the disruptions and their impacts.
- 5.5 This is also valid if the disruptions occur also during an existing delay. Both contractual partners have the right to resign from the contract, if the disruption is not of temporariness durability but longer than a minimum of 4 months. A requirement on compensation is excluded in case of the a.m. reasons.
- 5.6 In case of a dispatch delay caused by SEIBERT-PFV we will liable within the legal limits. The liability will be limited to a typically occurring damage. Requirements on compensation in case of petty negligence are excluded. In case of a dispatch delay we will be liable with a compensation flat charge of 0.5% for each finalised week, maximum 4% of the delayed order value. The claim for damages instead of output according to figure 10 will not be affected. The purchaser will inform us at the latest with signing of the contract about contract penalties, which will be applied for the purchaser's customers. In the event of a delay in delivery due to a fault of our contractual obligation which we are responsible for, we will be liable within the framework of the statutory provisions, whereby the liability for damages will be limited to the typically occurring damage. Claims for damages in the event of simple negligence are excluded. In the event of a delay in delivery, we will be liable for a compensation fee of 0.5% per completed week, with a maximum of 4% of the delayed delivery order value. The claim for damages instead of the performance according to clause 10 is not affected thereby. The customer will notify us at the latest at the conclusion of the contract about contractual penalties which apply towards his customer.
- 5.7 If an order is placed by the Purchaser without the stipulation of the term, acceptance dates and production quantities, we can demand binding commitments from the customer no later than 3 months after the order has been placed. Should there be no binding commitment by the customer within 4 weeks after the request and a two-week postponement, we have the possibility to withdraw from the contract and demand compensation for damages. In the event of non-fulfillment of the binding commitments



of the customer and the expiry of a postponement, we may sell the object of the contract in another way, after prior notification to the purchaser.

§ 6 – transfer of risk – packaging - nondisclosure

- 6.1 Deliveries are considered as ex works deliveries, unless otherwise nothing else is agreed.
- 6.2 The risk is transferred to the purchaser as soon as the subject of contract is passed over to the forwarding company or to the person who will be responsible for the freight or as soon as the subject of contract has left our company for dispatch, as soon as it is at the purchaser's disposal or as soon the purchaser has been informed about the readiness of dispatch – also in case the dispatch will be delayed without our fault, even so in case of partial deliveries or even so if we've taken over other services e.g. take over forwarding costs on our account.
- 6.3 On special request of the purchaser we will insure the delivery against transportation damage. The costs will be at the expense of the customer.
- 6.4 Apart from reusable packaging on the basis of the Packaging Ordinance, transport packaging will not be taken back. Disposal of the packaging is at the expense of the customer.
- 6.5 The contractual partners commit themselves to keep all none apparent commercial and technical details which become known during the business relationship strictly confidential as a business secret.

§ 7 - warranty

- 7.1 Warranty rights of the buyer presuppose that open defects of the delivered goods must be reported to us immediately in writing without delay, but at the latest 8 days after receipt of the goods, hidden defects without delay, at the latest 3 days after discovery. If these deadlines are exceeded, all claims resulting from the liability for defects will be extinguished. The obvious defects include any easily visible damage to the subject matter of the contract, the absence of agreed documentation as well as deviations with regard to the agreed delivery quantity, insofar as this deviation is not only due to partial deliveries agreed upon. In the case of breach of the obligation to inspect and to notify the contract, the subject matter of the contract will be deemed to have been approved with regard to the defect.
- 7.2 The statute of limitations is 12 months from delivery, insofar as we have not intentionally or grossly negligently violated our obligation or have concealed the defect maliciously.
- 7.3 Defects of a part of the delivery do not entitle to complain the entire delivery.
- 7.4 Should - despite all the care taken - the goods delivered by us be defective, which already existed at the time of transfer of risk, we will, at our option, repair or supply replacement goods, subject to the timely notification of defects in accordance with § 377 HGB (German Commercial Code), insofar as this is possible at a reasonable cost. If this is not the case, we can refuse supplementary performance. If the rectification or the replacement delivery is regarded as unsuccessful, the customer may, at his judgment, demand a reduction of the compensation (reduction) or withdraw from the contract. A defect of the remedy or replacement delivery will only be deemed to be



given if sufficient opportunity has been granted to us, the agreed product properties haven't been achieved, if the subsequent improvement or a replacement delivery is impossible, if it is unreasonably delayed by us and if unreasonableness exists for other reasons. In the case of a replacement delivery the customer is obliged to keep the defective product available to us.

- 7.5 Liability for damage caused by faulty and negligent handling, improper equipment or due to external influences which are not provided under the contract is excluded.
- 7.6 Claims of the customer due to the expenses necessary for the purpose of supplementary performance, in particular transport, labor and material costs as well as other costs will be excluded as far as the expenses increase because the goods delivered by us subsequently have been shipped to a location other than the branch of the customer, unless the subsequent shipment corresponds to the intended use.
- 7.7 The customer is not entitled to withdraw from the contract insofar as the defect found is negligible. The customer is also obliged to accept the matter of the contract.

§ 8 retention of title

- 8.1 We retain ownership of the delivered goods until receipt of all payments and irrevocable crediting of accepted checks and bills of exchange from the business relationship with the customer. If there is a current account relationship, the retention of title refers to the recognized balance. In case of breach of contract by the customer, in particular in the event of a delay in payment, we are entitled to take back the delivered goods. The retraction of the delivered goods does not constitute a withdrawal from the contract by us, unless we have expressly declared this in writing. We will have the right to use the object of the contract after the object has been withdrawn, whereby the proceeds of such utilization will be charged to the customer's liability, taking into account the incurred and reasonable costs of exploitation.
- 8.2 The purchaser is obliged to treat the delivered goods carefully and, in particular, to insure the matter of contract at his own expense against damage caused by fire, theft and water at the new value. Third party access to the reserved goods have to be communicated to us without delay. Costs incurred by defending third party access are on expense of by the customer, provided that they can't be contributed from the third party.
- 8.3 The converting of the retained subject of contract will always take place in our name and title without any commitment for us. In case of the converting with other products we gain a co-ownership of the new product in a percentage equal to the value of the original products in relation to the other products. The customer will always process the reserved goods for us without obliging us. If the reserved goods are combined or mixed with other goods, we will gain co-ownership of the newly manufactured product in proportion to the invoice value of the reserved goods, including value-added tax, to the other materials. The resulting co-owner rights to the reserved goods or the mixtures are then regarded as reserved goods within the meaning of these terms.
- 8.4 The purchaser is only entitled to sell the reserved subject of contract in a regular and proper course of business.
- 8.5 The customer is not allowed to pledge the contract object, which is subject to our retention of title, or to assign it to third parties as collateral. In the case of seizures, the customer is obligated to promptly inform us and to assist us in the exercise of our rights with regard to the retention of title. Costs incurred in this respect are at the expense of



the customer.

The customer already assigns to us all claims, including VAT, in full, which arise from the resale of the reserved goods or the further use of the reserved goods against a customer or a third party. We accept the assignment.

- 8.6 The customer collects the assigned claims for us. Eligibility for collection will expire if the customer is in default with payment or his assets have deteriorated substantially, in particular in the case of an application for insolvency proceedings. Similarly, the customer may not resell or reuse the goods in these cases. The customer then notifies his debtors of the assignment, makes all the necessary information necessary for the collection, and transfer the accompanying documents to us. The retraction of reserved goods does not constitute a withdrawal from the contract. If we declare the rescission, we are entitled to free-hand utilization.
- 8.7 If the value of the collateral exceeds our claims by more than 10%, we will, at the Customer's request, release our securities to our judgement.

§ 9 obligation to inspect

- 9.1 The information contained in our documentation is based on our current knowledge and application experience. Because of the abundance of possible influences in the processing and application of our products, our customers aren't exempt from verifying the suitability of our products for their intended use. We can't accept any liability for damages which could have been prevented by an examination with regard to the use or effect of the products with other materials.
- 9.2 In the course of product development, we are entitled to make technical alterations as far as these are customary and reasonable for the customer.

\$ 10 liability

- 10.1 Claims for damages - no matter what kind - or claims for reimbursement against us are excluded, insofar as nothing else results from these general terms of sale. This suspension of compensation claims will not apply to damages that are caused by:
- an at least negligent and breach of duty by us resulting in the violation of life, body or health
 - an at least grossly negligent breach of duty by us or our vicarious agents or legal representatives
 - a compulsorily enforce our liability under the Product Liability Act
- 10.2 Insofar as our liability is excluded or limited, this also applies to the personal liability of our employees, workers, legal representatives and vicarious agents.
- 10.3 The exclusion of liability also does not apply to damages which result from a breach of a fundamental contractual obligation which is at least negligent and which we are responsible for, and which jeopardizes the achievement of the contractual purpose. Such a risk is with regard to defects only due to relevant deficiencies. In the case of a breach of essential contractual obligations, which is at least negligent and which we are responsible for, we limit our liability to contractual and foreseeable damage insofar as there is no intention or gross negligence as well as at least the negligent violation to life, body or health is present.



10.4 Liability claims according to the Product Liability Act or procurement risks the fraudulent concealment of a defect will remain independent of the default.

10.5 The liability for delay in delivery is regulated in § 5 Paragraph 5.6

§ 11 place of delivery and place of jurisdiction

11.1 The place of fulfillment for all services and obligations arising from the delivery contracts is our place of business.

11.2 Exclusive jurisdiction for all direct and indirect disputes arising from any contract will be our place of business.

§12 miscellaneous

12.1 The law of the Federal Republic of Germany will apply to these terms and conditions and all legal relations between us and the buyer. The provisions of the United Nations Convention on Contracts for the International Sale of Goods will not apply.

12.2 The invalidity of individual provisions will not affect the effectiveness of the remaining provisions. The invalid provision has to be deemed replaced by an economic equivalent provision.