Terms and Conditions of Sale and Delivery

March 2017

Scope

- 1.1 These Terms and Conditions of Sale and Delivery apply solely to companies defined under section 14 of the German Civil Code.
- 1.2 We will only carry out deliveries and supply services according to these Terms and Conditions of Sale and Delivery. Contrary terms of the customer will not apply unless we expressly agree to their validity.
- 1.3. Our Terms and Conditions of Sale and Delivery shall also apply to future transactions even if they are not specifically referred to in each case.

2. Offers / Quotations and Completion of a Contracts

- 2.1 Our offers are conditional and non-binding unless explicitly indicated as binding
- 2.2 Decisive for the order is our written order acknowledgment. If the customer should have any objections to the terms of the order acknowledgment, these must be made known immediately. Otherwise, the contract will be carried out in accordance with the order acknowledgment.
- 2.3 The invoice or the delivery note is to be regarded as the order acknowledgment if the order is carried out immediately.
- 2.4 Samples, illustrations and details of weight, size and color are to be regarded as approximate only, unless they are specifically designated as binding.

3. Prices

The prices in the order confirmation are binding. These prices are valid ex works and exclude packaging, freight, postage, insurance, customs duty, other expenses and value added tax.

4. Set-Off and Right of Retention

The customer may only set off a debt with an undisputed or final declaratory judgment. The customer will only be permitted to assert a right of retention if it is based upon the same conditions of contract.

5. Delivery

- 5.1 The lead times given by us are non-binding unless they are agreed upon as binding. The ead time will begin with the order acknowledgment, but not before the customer has provided the documents and technical details, authorization, clearance or a deposit (if agreed upon).
- 5.2 We are not responsible for delays in delivery and service due to Acts of God or any other unforeseeable, extraordinary circumstances through no fault of our own which make it difficult or impossible to deliver, even if time limits and delivery times are binding. We are permitted to postpone delivery or services for the period of the delay plus reasonable preparation time. If the delay lasts longer than three months, the customer is permitted to withdraw from the con-tract after setting an additional time-limit. Any claims for damages on the part of the customer in this case will not be accepted.
- 5.3 If delivery is delayed due to gross negligence, we will be liable for the resulting damages. In the case of ordinary negligence, liability for proven damages due to delay shall be limited to compensation for every completed week of the delay of up to 0.5%, but up to a maximum of 5 % of the total price for the part of the shipment which could not be used for the purpose intended due to the delay.

6. Passing of risk / Shipping

- 6.1 The shipping and transport is at the customer's own cost and risk. The risk will pass to the customer as soon as the goods leave our factory. This applies even if we have agreed to pay freight charges in a specific case.
- 6.2 If transportation is delayed due to circumstances for which the customer is responsible, the risks shall be borne by the customer from the day when the goods are ready for shipment.
- 6.3 If we choose the mode of shipment, the route or the shipping company we will only be liable for gross negligence.

7. Complaints

- 7.1 The customer must check the goods delivered to ensure that the delivery is complete and that the packing is undamaged. Any complaints must be made to us immediately in writing. The carrier shall be asked to draw up a statement of the facts.
- 7.2 The customer must inspect the goods without delay and inform us of any noticeable defects immediately in writing. Hidden defects must be notified without delay as soon as they have been discovered. Otherwise, the delivery will be considered to have been approved.

8. Warrany claims

- 8.1 In the event of a defect for which we are responsible, we shall be entitled to remedy this by either making repairs or supplying flawless items, at our own op-tion. If we refuse to remedy such defects or if our efforts to do so fail or the customer cannot reasonably be expected to accept the result, the customer may assert its other legal rights. No claims will be accepted in the event of a minor reduction in value or suitability. The provisions of paragraph 9 shall apply to claims for damages due to defects.
- 8.2 The manufacturer cannot give a guarantee or assume liability for the protective effect of ring mesh products when further processed and applied outside their normal uses covered by the German standards DIN EN 1082 and DIN EN ISO 13998. The user or further processor shall be responsible for the proper use of items and for checking the possibilities of such use and ensuring that any protection to be afforded by the ring mesh products is actually provided. The further processor is asked to attach warnings to its product concerning its area of application and the protection to be afforded, etc.
- 8.3 The customer's warranty claims will lapse by limitation 12 moths after the delivery of the item concerned. However, the statutory limitation periods apply to items that have been used for a structure in the usual way, to the fraudulent concealment of a defect or to a company's right of recourse.

D. Limitation of liability / Damages

- 9.1 We shall be liable for intentional and gross negligence but shall only be liable for simple negligence in the case of a breach of important contractual obligations to do with the nature of the contract or if such a breach jeopardizes the ability to achieve the purpose of the contract. No other claims based on simple negligence, regardless of the legal reason for making them, will be accepted.
- 9.2 The above-mentioned limitation of liability does not apply to claims under the German Product Liability Act or to claims arising out of death, physical injury or damage to health. The limitation of liability shall also not apply if we deliberately fail to mention defects or have assumed a guarantee.
- 9.3 Claims for compensation based on material defects shall lapse by limitation 12 months after the delivery of the goods. The statutory limitation period applies to the cases specified in paragraph 8.3 and to intentional action, gross negligence, culpable action causing death, physical injury or damage to health and claims under the German Product Liability Act.

10. Retention of Title

- 10.1 We reserve the title to all goods delivered by us until all payments from previous contracts have been paid. Claims for payment include checks, bills of exchange and claims in connection with the invoice due. If claims for payment are to be met by a bill of exchange the retention of title shall not be discharged until all demands in connection with the bill of exchange have been met.
- 10.2 If the customer defaults payment or if it is obvious that our claims to payment are jeopardized because of the customer's inability to pay, we shall be permitted to demand the immediate return of the goods even without setting a deadline in accordance with section 321 of the German Civil Code.
- 10.3 The customer is to inform us without delay in the event of a seizure on execution or any other measure taken by third parties. The customer shall bear all expenses in connection with discharging the seizure and recovering the goods delivered if they have not already been confiscated by the third party.
- 10.4 Subject to revocation for an important reason, the customer shall be permitted to do with the goods delivered as it sees fit in the due course of business. The assignment of the goods as a means of security and a seizure on execution are not permitted. Goods subject to retention of title may only be passed on to the buyer if the customer is not in default on its obligations to us.

In the event of goods being resold, the customer automatically assigns to us all claims arising from the resale, especially claims to payment or other claims connected with the sale, to the extent of the final amount of our invoice (including VAT). This applies regardless of whether the goods delivered have been result without or after being further processed

Until we revoke the customer is permitted to collect the transferred claims using a trust. Reselling of debts within the framework of non-recourse factoring is subject to our approval. For important reasons we are permitted to make known the transfer of debt to a third-party debtor in our customer's name. When this transfer has been announced to a third-party debtor, the customer's right to collection of debts expires. In case of revocation of the right to collection of debts, we can demand that the customer reveals the transferred claims and the debtors, gives us all necessary information for collection provides the relevant documents and informs the debtors of the transference

Important reasons within the meaning of these provisions are: payment default, suspension of payments, the opening of insolvency proceedings, the protest of a bill of exchange or clear evidence of excessive indebtedness or impending insolvency on the customer's part

- 10.5 The Treatment and processing by the customer of the goods delivered is always done on our behalf. We are considered as manufacturers without further obligations within the meaning of section 950 of the Civil Code. If the item delivered is processed with other materials that do not belong to us, we thereby acquire the joint ownership of the new item, the proportion being the invoice value to the purchase price of the other goods processed. Moreover, the same provisions apply to the item resulting from the processing as to the goods delivered..
- 10.6 If the delivery item is inseparably combined, mixed or blended with other movable pro ducts not belonging to us, we shall acquire co-ownership of the new product in proportion to the value of the delivery item (sum total of the invoice inclusive of value-added-tax) and the value of the other combined, mixed or blended products at the time of such com bining, mixing or blending. If the delivery item is combined, mixed or blended in such a way that the product of the customer is to be considered as the principal thing, as early as with the present the customer and we agree that the customer shall assign to us co-ownership of this product on a pro rata basis. If the delivery item is combined, mixed or blended with movable products belonging to a third party in such a way that the product of the third party is to be considered as the principal thing, as early as with the present the customer shall assign to us his claim for remuneration against such third party, i.e. the amount proportionate to the invoice amount of the delivery item. The new product created by combining, mixing or blending and/or the (co-) ownership rights to the new product to which we are entitled and/or which are to be assigned to us as well as the payment claims assigned to us in accordance with the preceding paragraph shall serve as security for our claims in the same way as the delivery item itself.
- 10.7 If mandatory foreign rules of law do not render the retention of title provisions or the assignment of debts invalid or unenforceable, the security that corresponds in this area to the provisions on the retention of title or the assignment of debts shall be agreed. If the customer's co-operation is required, the customer shall take all necessary measures to establish and maintain the security.

11. Place of performance, jurisdiction and applicable law

- 11.1 The place of performance for both delivery and payment shall be Mühlacker.
- 11.2 All legal issues arising from a contract or relating to its drafting and validity shall be settled by the court that has jurisdiction for our company's place of business. This applies to business persons of both parties. At our own option, we may also bring a legal action at the customer's place of business.
- 11.3 The contract relationship is subject solely to German law. In the case of business dealings with customers that have their head office abroad, the UN Convention on Contracts for the International Sale of Goods (CISG) shall apply.