

### Article 1 General

Our deliveries and other services shall be performed exclusively on the basis of these Conditions of Sale and Delivery. These are applicable only in relation to entrepreneurs, i.e. buyers acting commercially or otherwise on a self-employed basis, but also for all future business relations, even if they are not expressly agreed upon again. If individual provisions are or become invalid, this shall not affect the validity of the other provisions. We expressly object to deviating General Terms and Conditions of the Buyer.

### Article 2 Offer and Conclusion of a Contract

- Our offers shall be subject to change without notice. Therefore contracts shall first be established once we have acknowledged the order in writing or delivered the goods. If the acknowledgement of the order deviates from the order, the Buyer must object thereto in writing within one week after receipt. Otherwise the content of our acknowledgement of the order shall be exclusively applicable.
- Supplements and amendments to the contract must be in writing to be valid.
- We shall be entitled to make technical alterations to models and materials, in so far their suitability for use is not impaired. This particularly applies to deviations from indicated sizes, weights and other technical details as well as samples.

### Article 3 Prices and Payment

- Prices contained in our offers shall be net prices plus value-added tax at the rate prevailing from time to time and ex works excluding packaging and other forwarding or transportation expenses.
- Our invoices shall become due and payable immediately at the time the goods are dispatched. The Buyer shall pay within 14 days after having received the goods. Otherwise it shall enter into default without any reminder. Payment shall be deemed to be receipt of the money on our account. This applies, even if we accept cheques, which we shall however not be obliged to do.
- If after the conclusion of the contract we become aware of circumstances that give reason to doubt the Buyer's ability to pay, we may make the delivery dependent upon advance payment of the purchase price and, if this advance payment is not made within a reasonable period set by us, cancel the contract.
- The Buyer may only offset against counterclaims that are undisputed or have been determined to be legally valid. The Buyer shall only be authorised to exercise a right of retention to the extent that its counterclaims are based on the same contractual relationship.

### Article 4 Delivery and Delivery Period

- In case of doubt delivery periods shall commence on the date of our acknowledgement of the order, but not before the Buyer has met its duties to co-operate and made any agreed down payment. Our obligation to deliver shall be suspended as long as the Buyer is in default in performing its contractual duties. The delivery period shall be deemed met, if the goods have left the warehouse or notice of readiness for dispatch has been given before the delivery period expires.
- Any extension of the originally agreed period that we are granted must be in writing. The extended period shall only be deemed reasonable, if it totals at least four weeks as from the receipt of notification of the extension granted. A longer period may be necessary in individual cases.
- Risk shall be passed to the Buyer at the time the goods are dispatched, even if we bear forwarding expenses. If dispatch is delayed for reasons not attributable to us, the risk shall be passed to the Buyer at the time of notification of readiness for dispatch. In this case we shall at the Buyer's expense take out the insurance policies demanded by the Buyer.
- Delays in forwarding caused by the carrier shall not establish any damage claims against us, unless we are guilty of intent or gross negligence. We shall assign to the Buyer any damage claims against the carrier. The Buyer shall assert directly against the carrier any claim due to transport damage.
- We shall not under any circumstances take back special packaging. In all other respects we shall only take back packaging, in so far as we are legally obliged to do so.
- We shall be entitled to make part deliveries and to deviate from ordered quantities by no more than 10%, whereby the quantity actually delivered shall always be invoiced.

### Article 5 Force Majeure

- If it is temporarily impossible or more difficult for us to perform due to force majeure or other extraordinary circumstances through no fault of our own, an agreed performance period shall be extended by the duration of this hindrance. The same applies to a period or an extended period that the Buyer has set for performance. The Buyer shall not be entitled to cancel the contract or claim damages before the extended performance period has expired. If the hindrance lasts more than 2 months, both the Buyer and we shall be entitled to cancel the contract, in so far as the contract cannot be carried out. If the Buyer is contractually or legally entitled to cancel the contract without extending the original period, this right shall remain unaffected.
- In particular war, war-like conditions, mobilisation, import and export bans and blockades shall be deemed events of force majeure. Other unforeseeable extraordinary circumstances through no fault of our own are in particular transport hindrances, business disruptions, delays in the delivery of raw materials, strikes, lockouts and other industrial disputes, even if they occur at our suppliers. We shall notify the Buyer of the commencement and end of such hindrances.

### Article 6 Reservation of Ownership

- The goods delivered by us shall remain our property up until all accounts receivable arising from the business relationship have been paid.
- In the event that the Buyer acts in breach of the contract, particularly in the event of default in payment, we shall be entitled to take back the goods. The taking-back of goods shall not constitute a cancellation of the contract, unless we expressly give written notice of cancellation. We shall be authorised to realize the purchase item after having taken it back. Proceeds from realization shall be credited against the Buyer's accounts payable less reasonable realization expenses.
- In the event that goods under reservation of ownership are processed, this shall be undertaken for us as the manufacturer pursuant to Section 950 BGB [German Civil Code] without this giving rise to liabilities on our part. If goods under reservation of ownership are combined or mixed with other movable property, we shall acquire co-ownership of the new item in the ratio of the current market price of our goods under reservation of ownership to the value of the other processed items at the time of combining. The Buyer shall keep the newly made item in a safe place for us with ordinary care free of charge.

- The Buyer shall be entitled to resell goods in the normal course of business, unless it has entered into default in payment. Goods may only be resold under reservation of ownership, whereby the Buyer shall be additionally obliged to disclose our reservation of ownership to its purchasers. Furthermore the Buyer already now assigns to us all accounts receivable that accrue to it from the resale against its purchasers or third parties, irrespective of whether or not the purchase item was resold without having been processed or after having been processed. Without prejudice to our own authority to collect payments, the Buyer may collect assigned accounts receivable as long as it meets its contractual obligations against us.
- On request the Buyer shall hand over to us a precise list of assigned accounts receivable including the names and addresses of purchasers, the sums of accounts receivable and the dates of invoices and give all information necessary for claiming assigned accounts receivable and shall allow these to be checked. Furthermore the Buyer shall on request be obliged to disclose the assignment to its purchasers.
- If goods are inseparably combined with other items not belonging to us, we shall acquire co-ownership of the new item in the ratio of the objective value of our goods to the value of the other combined items at the time of combining. If combining is undertaken in such manner that the Buyer's item is to be regarded as the main item, it shall be deemed agreed that the Buyer shall transfer co-ownership to us on a proportionate basis. The Buyer shall keep the exclusive property or joint property created in such manner in a safe place for us free of charge. To secure our accounts receivable, the Buyer shall also assign to us the accounts receivable that accrue to it against a third party as a result of goods having been connected to real estate.
- The Buyer shall be obliged to adequately insure goods under reservation of ownership for the replacement value at its own expense. We shall be entitled to demand at any time that corresponding insurance policies and corresponding written acknowledgements of premiums paid be submitted.
- The Buyer shall not be entitled to pledge as collateral security goods under reservation of ownership or accounts receivable assigned to us or transfer ownership thereof by way of security. The Buyer shall immediately notify us of levies of execution on goods under reservation of ownership or assigned accounts receivable, giving the name of the pledgee.
- At the Buyer's request we shall release collateral security granted to us to the extent that the realizable value thereof exceeds the accounts receivable to be secured by more than 20%. We shall be responsible for selecting the collateral security to be released.

### Article 7 Defects

- Defects are all faults or damage in respect of goods delivered as well as all other deviations from the contractually agreed quality. This also includes mistaken deliveries and quantity variances. In the case of needed felt it cannot be technically ruled out that the material contains broken needle fragments. Therefore isolated inclusions of broken needle fragments shall not constitute a defect. We shall not be liable therefore for property damage or economic losses that the Buyer incurs as a result of such inclusions, unless we are guilty of intent or gross negligence.
- The Buyer must inspect the goods in a non-destructive testing without delay and report apparent defects within 5 working days as from receipt of the goods. It must report other defects without delay after they become apparent. Every notice of defects must be in writing and must state the type of goods and the defect as well as the delivery note number. If defects are not properly reported, the goods delivered shall be deemed approved.
- The Buyer may not process or use goods that have been complained about or are apparently defective. If it breaches this obligation, we shall not be liable for damage due to processing or otherwise using such goods. In this case the Buyer shall furthermore bear and, where applicable, compensate us for additional expenses incurred in connection with remedying defects as a result of having installed or otherwise used the goods.
- If goods are defective and are deemed not to have been approved, the Buyer may demand full compliance, which shall at our option be fulfilled by repairing the goods or delivering faultless replacements.
- A period set by the Buyer for the remedying of defects shall only be deemed reasonable, if it totals at least four weeks. An even longer period may be necessary depending on the nature of the goods. Every period set must be in writing.
- The ordering party may only assert claims over and above this, if corresponding legal prerequisites have been met. The limitations under the following condition 9 are additionally applicable to damage claims.
- The statutory period of limitation for all rights of the Buyer on account of a defect in the delivered item shall be reduced to one year. This shall not apply, if the goods delivered have been used for a building as intended and have caused defects therein and shall not apply in cases of intent or gross negligence or to damage claims on account of damage to a person's life, body or health.

### Article 8 Advising

- We shall only be obliged to give advice on technical applications, if this has been expressly agreed upon in writing.
- Advice and information given shall not be binding, unless we expressly declare otherwise in writing. Advice and information given shall under no circumstances release the Customer from its obligation to handle our products properly and expertly and shall not release it from its duty to undertake its own inspections and tests. In all events the Customer shall be solely responsible for compliance with legal and official regulations in connection with the use of our products.

### Article 9 Liability

- We shall be liable without limitation in accordance with legal regulations for intentional or grossly negligent breaches of duties as well as for damages arising from damage to a person's life, body or health. In all other respects we shall only be liable, if the breached contractual duty is of material significance for attaining the purpose of the contract and only on a limited basis up to the sum of average foreseeable damage typically occurring.
- This limitation of liability applies accordingly to damage claims other than contractual damage claims, particularly to tort claims, except claims in accordance with the Produkthaftungsgesetz [Product Liability Act], i.e. also in favour of our employees, workers, staff members, agents and persons employed to perform an obligation.

### Article 10 Place of Performance and Jurisdiction, Applicable Law

- The place of performance for all present and future claims arising from the business relationship is Soltau. If the Buyer is a merchant, the place of jurisdiction for all claims arising from the contractual relationship is also Soltau. However we shall also be entitled to take legal action against the Buyer at its place of residence or principal place of business.
- The contractual relationship shall be governed exclusively by German law, excluding the UN Convention on Contracts for the International Sale of Goods (CISG).

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