General Terms and Conditions of Business (AGB) / Conditions of Sale

Walter Stauffenberg GmbH & Co. KG, 58791 Werdohl, Germany

Release 12/2012

I. General area of application

1) Our general conditions of sale (AGB = general terms and conditions of business) apply to all our business relationships with our customers (hereinafter also referred to as contractual partner). Our general terms and conditions of business only apply if the customer is an entrepreneur (Article 14 BGB = German Civil Code), a corporate body under public law or a special fund under public law.

2) Our general terms and conditions of business apply to all deliveries, services and quotations, in particular to all contracts regarding the sale of movable objects (hereinafter also referred to as goods) irrespective of whether we produce the goods ourself or buy them from sub-contractors (Articles 433 and 651 BGB).

3) Our general terms and conditions of business also apply to all future deliveries and services or quotations, even if they are not agreed again separately.

4) Our general terms and conditions of business apply exclusively. Deviating, conflicting or supplementary general terms and conditions of business of our contractual partner shall only then become an integral part of the contract insofar as we have expressly approved of their validity. This approval requirement shall, for example, also apply at any rate if we execute delivery or service to the contractual partner without reservation while being aware of his general terms and conditions of business.

5) Reference to the validity of statutory provisions shall only be for the avoidance of doubt; hence the statutory provisions shall also apply without clarification of this kind insofar as they are not amended directly or expressly excluded in these general terms and conditions of business.

6) Declarations and notifications of legal relevance that must be made to us by our contractual partner after conclusion of contract (e.g. deadlines, notices of defects, declaration of withdrawal or diminution), shall require the written form to take effect.

II. Quotation – Conclusion of contract

1) Our quotations are subject to change without notice and without commitment if they are not expressly marked as binding or do not include a certain term of acceptance. This shall also apply if we have provided our contractual partner with technical documentation (drawings, plans, evaluations, calculations, references to DIN standards) and other product descriptions or documents - also in electronic form.

2) On principle, only the product description shall apply for the properties and condition of the goods. Public comments, promoting or advertising messages on our part or by the manufacturer shall not constitute an agreement on the quality of the goods.

3) We can accept orders or contracts from our contractual partner within 14 days after receipt.

4) Acceptance can either be declared in writing (e.g. by means of an acknowledgement of order) or by delivery of the goods to the contractual partner.

5) Conclusion of contract is carried out in each case under the reservation that we are also provided with punctual and flawless delivery by our sub-contractors. However, this shall only apply in case we have concluded matching cover transactions with our sub-contractors and are not responsible for unpunctual delivery or the fact that our delivery is not flawless. We will inform our contractual partner immediately regarding the non-availability of the service of our sub-contractors.

6) Only the written contract as concluded including all these general conditions of sale is decisive for the legal relationship between us and our contractual partner. They fully reflect all agreements between us and our contractual partner. Oral promises on our part before conclusion of this contract are not legally binding. Oral agreements by the contracting parties shall be replaced by the written contract, provided it does not arise from them expressly that they continue to apply bindingly.

7) Supplements and amendments to the agreement as made including these conditions of sale shall require the written form to take effect. With the exception of managing directors and authorised representatives, our employees are not authorised to make oral agreements that deviate from this.

8) Details on our part regarding the subject matter of the delivery or service, e.g. weights, dimensions, present utilisation values, loading capacity, tolerances and other technical data as well as our portrayals of same, e.g. in drawings and other illustrations, are only approximately significant, insofar as usability for the purpose as stipulated by contract does not pre-assume exact compliance. Unless a guarantee is given expressly and in writing, the details mentioned above do not constitute guaranteed quality features; they are descriptions or designations of our delivery or service.

Standard deviations and deviations that take place on account of legal regulations or constitute technical improvements are admissible insofar as they do not impair the usability for the purpose as stipulated by contract. In the same way we reserve the right to changes in colour, design and/or weight provided that they are reasonable for the contractual partner.

9) We reserve the right to ownership or copyright of all quotations and cost estimates we submitted as well as to drawings, illustrations, calculations, brochures, tools and other documents or resources placed at the disposal of our contractual partner. Without our express consent our contractual partner must not make these items as such or with regard to content available to third parties, make notification of them or use or duplicate them himself or by third parties. At our request our contractual partner must return items of this kind to us in full, destroy any copies that may have been made and delete information about the items described above that has been stored electronically.

10) On principle, the provision of samples will be at extra cost. The provision of samples only serves to substantiate the properties and condition and does not constitute a guarantee.

11) The free right of termination of the customer, in particular in accordance with Articles 641 and 649 BGB shall be excluded.

12) Tools and equipment shall remain our property insofar as they are not provided by our contractual partners. Unless agreed otherwise, this shall also apply if our contractual partner participates in the tool costs or if he bears them within the framework of full-cost pricing.

III. Remuneration – Conditions of payment - Offsetting etc.

1) The prices shall apply to the scope of service and delivery itemised in the acknowledgements of order. Increased or special services will be charged for separately. Prices are stated ex works in euros and do not include packing and VAT. Export shipments do not include customs duty, fees and other public charges.

2) In the case of a contract of sale involving the carriage of goods, the customer shall bear the transport costs ex works and the costs of the transit insurance required by the customer if applicable.

3) Unless agreed otherwise, our contractual partner shall be obligated to make payment within 14 days after invoicing and delivery of the goods.

4) The customer shall only be entitled to offset rights or the right of lien insofar as his claim has become res judicata or is beyond dispute. Moreover, the right of lien can only be asserted if it arises from the same contractual relationship.

5) If it becomes recognisable after conclusion of the contract that our claim, in particular our claim to the purchase price, is jeopardised due to the inadequate service capability of our contractual partner

(e.g. due to an application for opening insolvency proceedings), we are, according to the statutory provisions, entitled to refuse performance and - after fixing a time- limit if applicable - to withdraw from the contract (Article 321 BGB). We are able to declare immediate withdrawal in the case of contracts regarding the manufacture of unjustifiable items (purpose-built items); the statutory regulations regarding the dispensability of setting a time-limit shall not be affected.

IV. Delivery time – Default in delivery – Partial deliveries – Release order etc.

1) The deadlines and dates for deliveries and services that we announce are always only approximately applicable unless a firm time-limit or a firm date has been expressly promised or agreed. Insofar as forwarding has been agreed, delivery dates and delivery times refer to the time of handover to the haulage contractor, forwarding agent or other third parties in charge of transport.

2) Commencement of the delivery time we stated assumes clarification of all technical questions. A further pre-condition is the punctual and correct performance of the contractual obligations and duties by our contractual partner. Insofar as sample approval is to be given, it is a pre-condition that our contractual partner gives sample approval immediately after presentation of the samples or informs us immediately of the reasons why approval of this kind cannot be given.

3) Irrespective of our rights arising from default on the part of our contractual partner, we are able to demand from him an extension of the dates for delivery and service or postponement of the dates for delivery and service to cover the period of time by which our contractual partner fails to comply with his contractual obligations and/or duties.

4) We shall not be liable for the impossibility of delivery or for delays in delivery insofar as they were caused by force majeure or other unforeseeable occurrences at the time of conclusion of contract for which we are not responsible (e.g. all kinds of disruptions in operations, difficulties in the procurement of material or energy, delays in transport, strikes, legal lockouts, scarcity of labour, energy resources or basic materials, difficulties in the procurement of necessary official approvals, official measures or overdue, incorrect or unpunctual delivery from suppliers). Insofar as occurrences of this kind make it significantly more difficult or impossible for us to deliver or perform and the obstruction is not only for a temporary term, our contractual partner shall be entitled to withdraw from the contract. In the case of temporary obstructions the dates for delivery and service shall extend or be postponed by the point in time of the obstruction plus a reasonable lead time. Insofar as our customer cannot be expected to accept the delivery or service because of the delay, he shall be able to withdraw from the contract by providing us with an immediate, written declaration.

5) The happening of our default in delivery is defined according to the statutory provisions. However, a warning from our contractual partner is necessary at all events.

6) We are entitled to provide partial deliveries and partial performance if the partial delivery is applicable for our contractual partner within the framework of the intended use as stipulated by contract, the delivery of the remaining goods as ordered is safeguarded and our contractual partner does not incur significant additional expenses or additional costs due to this, unless we agree to accept these costs.

7) If we are to make delivery by release order, calls must be made within twelve months at the latest after acknowledgement of order, unless agreed otherwise in writing. We shall be entitled to also make delivery and assert our claims without a call by our contractual partner after the preceding call period or the otherwise agreed call period has elapsed. The contractual partner shall then be obligated to accept and make payment.

8) If we should be in default of delivery or performance or if, regardless of the reason, it should be impossible for us to deliver or perform, liability on our part shall be restricted to compensation for damages in accordance with regulation VIII. (Liability - Limitations of liability).

V. Reservation of title

1) We reserve title to the goods until complete payment of all claims arising from the ongoing business relationship. If applicable, we also reserve title until receipt of all payments arising from an existing current account relationship with our customer. The reservation refers to the acknowledged account balance.

2) The goods under reservation of title must not be pledged to third parties or assigned as a security until all secured claims have been paid in full.

3) Our customer shall hold the goods under reservation of title in safe custody for us free of charge.

4) Processing or alteration of the delivery item by the customer shall always be carried out on our behalf. If the delivery item is processed together with another object that does not belong to us, we shall acquire co-ownership of the new item in proportion of the value of the delivery item (final amount of the invoice including VAT) to the other processed objects at the time of processing. Apart from that, the same shall apply to the item that comes into existence due to processing as to the goods delivered with reservation.

5) If the delivery item is inseparably mixed with other objects that do not belong to us, we shall acquire co-ownership of the new item in proportion of the value of the sales item (final amount of the invoice including VAT) to the other mixed objects at the time of mixing. If mixing is carried out in such a way that the item of the customer is to be regarded as the main item, it shall be regarded as agreed that the customer transfers pro-rata ownership to us. Our customer shall hold the emerging sole ownership or co-ownership in safe custody for us.

6) The customer shall be entitled to resell and/or process the goods during the ordinary course of business. However, he already now assigns all claims to us that he accrues from resale to third parties. We hereby accept the assignment. After assignment the customer shall be entitled to collect the claim for our account until revocation or until cessation of his payments or business operations or until making an application to open insolvency proceedings.

Claims that the customer assigned to us in the preceding connection cannot be assigned to third parties. The same applies to pledges. Transfers by way of security are inadmissible.

7) In the case of default of payment on the part of the customer as well as cessation of payment and/or business operations and in cases of making an application to open insolvency proceedings, we are able to demand that our contractual partner makes notification of the claims assigned to us and the corresponding debtors and that all information is provided by him that is necessary for collection, that he surrenders the associated documents and informs the debtors (third parties) of the assignment. Our right to expose the assignment in cases of this kind and to collect the claims ourself shall remain unaffected.

8) The customer shall be obligated to handle our sole property or joint property with care. Insofar as maintenance and service work is necessary, he shall carry this out at regular intervals at his expense.

9) The customer shall be obligated to immediately inform us of any access by third parties to our sole property or joint property, e.g. in the case of an attachment. The same shall apply in case of any damages to or destruction of the goods. The customer must also inform us immediately of any change of owner of the goods and any change of his own residence.

10) If the customer breaches the preceding duties as stated in no. 8 and no. 9 and also in the case of any other behaviour by the customer that is contrary to the contract, in particular failure to pay the purchase price on the due date, we shall be entitled to demand surrender of the goods; this shall also apply if we do not withdraw from the contract at the same time. If the customer does not pay the due purchase price, we shall only be able to demand surrender of the goods if we gave the customer a reasonable time-limit to pay prior to this and this has not been successful or if setting this kind of time-limit is dispensable according to the statutory provisions.

Unless declared expressly in writing, taking back the goods does not constitute withdrawal from the contract vis-a-vis the customer. The preceding phrases shall apply accordingly in the case of

cessation of business operations or payment and, subject to the rights of an insolvency administrator, in the case of insolvency proceedings. After taking back the goods we shall be entitled to utilise them. The utilisation proceeds shall be offset against the debt of the contractual partner minus reasonable utilisation costs.

11) Upon request by the contractual partner, we undertake to release the securities to which we are entitled to the extent that the liquidable value of our securities exceeds the claims to be safeguarded by more than 10 %; the choice of the securities to be released shall be incumbent upon us.

VI. Transfer of risk – Taking delivery - Default of acceptance

1) Deliveries shall be made ex works. This is also the place of performance. Goods will be shipped to another place of destination at the customer's request and expense (sale by delivery to a place other than the place of performance). Unless agreed otherwise, we shall be entitled to determine the method of shipping (in particular forwarding company, despatch route, packing). The consignment will only be insured by us against theft, breakage, transit, damages by fire or water or other insurable risks following an express request by our customer and at his expense.

2) We will not take back transport packaging and all other packaging in accordance with the regulation on packaging; it shall become the property of the customer; pallets and euro lattice boxes are excluded.

3) The risk of accidental perishing and accidental deterioration of the goods transfers to the customer upon handover at the latest. However, in the case of sale by delivery to a place other than the place of performance the risk of accidental perishing and accidental deterioration of the goods already transfers upon delivery of the goods to the forwarding agent, the haulage contractor or any other person or institution appointed to execute shipping. Insofar as acceptance has been agreed, this shall be decisive for the transfer of risk. Apart from that, the statutory provisions of the Law on Contracts for Work and Services shall also apply accordingly in the case of agreed acceptance. If the customer is in default of acceptance, this will be considered as acceptance or taking delivery.

4) The goods shall be regarded as accepted insofar as acceptance is intended by law or has been agreed by contract if

- the delivery has been completed and
- we have informed our customer of this referring to deemed acceptance according to this paragraph and have requested him to take delivery and
- 12 working days have passed since delivery or our customer has started using the item purchased and 12 working days have passed in this case since delivery and
- our customer has failed to take delivery within this period of time for a reason other than on account of a defect of which he notified us and that makes it impossible to use or substantially affects the use of the item purchased.

5) In the event that the customer is in default of acceptance or fails to cooperate or if our delivery is delayed for other reasons for which the customer is responsible, we shall be entitled to demand compensation for the damage arising from this including additional expenditure (e.g. storage costs). The storage costs per week or part thereof amount to 0.25 % of the net invoice amount of the delivery items to be stored plus VAT. Proof of greater damage and our legal claims shall remain unaffected; however, the lump sum must be allowed for in any further money claims. The customer shall be permitted to provide proof that we have not incurred any damages at all or have only incurred significantly lesser damage than the preceding lump sum.

VII. Rights of the contractual partner in the case of defects

1) The statutory provisions shall apply to rights of the customer in the case of a defect as to quality and defect of title (including wrong delivery and short delivery as well as faulty installation or inadequate installation instructions), insofar as not specified otherwise in the following. The statutory provisions shall remain unaffected in all cases in the event of final delivery of the goods to a consumer (supplier's redress in accordance with Articles 478 and 479 BGB).

2) Insofar as the properties and condition have not been agreed, assessment must be made according to the statutory regulation whether a defect exists or not (Article 434 (1) clause 2 and clause 3, Article 633 BGB).

3) The customer's claims for defects pre-suppose that he has complied with his existing legal duties where applicable to examine and make a complaint in respect of a defect (Articles 377 and 381 HGB). In the event that a defect comes to light during the examination or later, we must receive immediate notification of this in writing. Notice is regarded as immediate if it is given within 8 calendar days; it is sufficient to dispatch the notice in good time to observe the time-limit. Irrespective of this duty to examine and make a complaint in respect of a defect, the customer must make immediate notification of obvious defects (including wrong delivery and short delivery) by the 8th day at the latest after delivery. In this case it is also sufficient to dispatch the notice in good time to observe the time-limit. In the event that the customer fails to carry out a proper examination and/or submit notice of a defect, our liability shall be excluded for the defect that was not notified.

4) If the delivered item or performance is defective, we are initially able to choose within a reasonable time-limit whether we will provide supplementary performance by eliminating the defect (rectification of a defect) or by delivering a flawless item (replacement delivery). Our right to refuse the chosen method of rectification of a defect under the statutory conditions shall remain unaffected.

5) We shall be entitled to make any owed rectification of a defect dependent on the customer paying for the due return service. However, the customer shall be entitled to retain a reasonable share in proportion to the defect.

Rectification of a defect by us shall not include dismantling of the defective item or its re- installation if we were not originally obligated to carry out installation.

6) The customer shall give us the necessary time and opportunity for the statutory rectification of the defect and, in particular, hand over the rejected goods for inspection purposes. In the event of a replacement delivery the customer shall return the defective item to us according to the statutory provisions.

7) We shall bear the necessary expenditure for examination and rectification purposes, in particular the costs of transport, infrastructure, labour and material, if a defect actually exists. Unless agreed otherwise, the place of performance of the rectification of a defect is the place of our business establishment; at any rate, we shall not bear any costs that increase due to the delivery item or performance being taken to a place other than the place of performance. However, if the demand by the customer for rectification of a defect turns out to be unwarranted, we shall be able to demand from the customer reimbursement of the costs arising from this.

8) If rectification of the defect has failed or if a reasonable time-limit to be set by the customer for rectification of the defect has expired to no avail or is dispensable according to the statutory regulations, the customer shall be able to withdraw from the contract, reduce the purchase price, demand compensation for damages or reimbursement of expenses and assert retaining liens (Article 320 and Article 321 BGB). However, there is no right of withdrawal in the case of insignificant defects.

9) However, claims by the customer for compensation for damages or reimbursement of expenses only exist according to the following provision in VIII. (Liability – Limitations of Liability) and are otherwise excluded. However, there is no right of withdrawal in the case of an insignificant defect.

10) Warranty shall not be applicable if the customer amends or arranges for third parties to amend the delivery item without our consent, thus making rectification of the defect impossible or making it unreasonably difficult. At any rate the customer shall bear the additional costs of the rectification of the defect incurred because of the amendment.

11) In the case of the sale of second-hand goods, the sale is carried out without any liability for defects as to quality insofar as bodily harm, damage to health or personal injury as well as gross negligence or intent do not form the basic principle of a claim on our part.

12) If a defect is based on our fault, our customer shall be able to demand compensation for damages under the conditions specified in VIII. (Liability – Limitations of Liability).

VIII. Liability – Limitations of liability

1) Unless something else arises from these general terms and conditions of business and the following regulations, we shall be liable according to the pertinent statutory provisions in the event of a breach of contractual or non-contractual duties.

2) We shall be liable for compensation for damages irrespective of the cause in law in cases of intent and gross negligence.

3) In the case of slight negligence we shall only be liable
a) for damages arising from bodily harm, personal injury or damage to health,
b) for damages arising from the breach of significant contractual duties. Significant contractual duties are duties that protect the essential contractual legal position of our contractual partner and that the contract must afford to him according to its content and purpose; furthermore, contractual duties are significant that must be fulfilled in order to execute the contract at all in the first place and in the observation of which our contractual partner regularly trusts or is able to trust; however, in this case our liability is restricted to compensation for the foreseeable, typical damage that arises.

The limitations of liability arising from the preceding paragraph shall not apply insofar as we have fraudulently concealed a defect or have provided a guarantee for the properties and condition of the goods. The same shall apply to claims by our contractual partner according to the Product Liability Act (ProdHaftG).

4) Our customer shall only be able to withdraw or serve notice on account of a breach of duty that does not exist in the form of a defect if we are responsible for the breach of duty. A free right of termination of the buyer, in particular in accordance with Articles 651 and 649 BGB shall be excluded. The statutory conditions and legal consequences shall otherwise apply.

5) The preceding limitations of liability shall not apply in connection with default on our part in the case of an agreed firm deal.

6) Article 478 BGB (company recourse) shall remain unaffected.

IX. Statute of limitation

1) Notwithstanding the statutory provisions the general statutory period of limitation for claims arising from defects as to quality and defects of title is one year as from delivery or performance; insofar as acceptance is intended or agreed by law, the statute of limitation shall begin upon acceptance. The duration of the statute of limitation shall remain unaffected in the case of buildings (Article 634a (1) no. 2 BGB), supplier’s redress (Article 479 BGB) and fraudulent intent (Article 438 (3) BGB).

2) The preceding statutory periods of limitation shall also apply to contractual and non- contractual claims for compensation for damages by the customer that are based on a defect in the goods/performance, unless the application of the regular statutory statute of limitation (Articles 195 and 199 BGB) would lead to a shorter statute of limitation in an individual case. The statutory periods of limitation of the Product Liability Act shall remain unaffected in all events. Apart from that, the statutory statutes of limitation shall apply exclusively to claims for compensation for damages by the customer in accordance with VIII. (Liability – Limitations of Liability).

X. Property rights – Intellectual property etc.

1) Each contractual partner shall inform the other contractual partner immediately in the form of wording at the least if claims are asserted against him by third parties on account of the breach of industrial property rights or copyrights.

2) If we manufacture something according to instructions from the customer or if we make deliveries or provide services according to specifications from the customer, he shall be obligated to indemnify us from the claims of third parties.

3) In case the goods breach an industrial property right or copyright of a third party, we shall at our option and at our expense amend or replace the goods to such an extent that there is no further breach of third party rights; the delivery item will, however, continue to comply with the functions as agreed by contract or supply the customer with the right of exploitation by concluding a licence agreement. If we do not manage to do this within a reasonable period of time, our customer shall be entitled to withdraw from the contract or to reduce the purchase price appropriately. Any claims to compensation for damages shall be subject to the regulations in VIII. (Liability – Limitations of Liability). The preceding regulations shall not take effect in cases as described in no. 2) above.

4) In the event of breaches by the products of other manufacturers that we supplied, we shall, at our option and at the expense of the contractual partner, assert our claims against the manufacturers or upstream suppliers or assign them to the contractual partner. Claims against us in cases of this kind only exist according to this provision (Property rights – Intellectual property etc.) if legal enforcement of the claims mentioned above against the manufacturers and upstream suppliers was not successful or, for example, is pointless on account of insolvency.

XI. Final provisions

1) The law of the Federal Republic of Germany shall apply to these general terms and conditions of business and all legal relationships between us and the customer to the exclusion of all international and supranational agreements and legal orders, in particular the United Nations Convention on Contracts for the International Sale of Goods (CISG). The provisions on supplier's redress (Article 478 BGB) shall be waived in the case of legal relationships with contractual partners abroad. On the other hand, requirements and effects of the reservation of title in accordance with no. V. (Reservation of Title) are subject to the law at the respective storage location of the goods, insofar as the choice of law made is inadmissible and invalid in favour of German law.

2) The contractual language is English.

3) At our option the court of jurisdiction for all disputes arising from and in connection with the contract is at the place of our head office or at the place of our customer's head office. The court of jurisdiction for the place of our head office shall be responsible for lawsuits against us insofar as this is not opposed by a mandatory legal provision regarding exclusive courts of jurisdiction.

XII. Severability clause

If a current or future provision of this contract should be or become invalid/void or non- feasible in whole or in part for reasons other than those in Articles 305 to 310 BGB, this shall

not affect the validity of the remaining provisions of this contract insofar as execution of the contract does not present an unreasonable hardship for a party allowing for the following regulations. The same shall apply if a loophole arises requiring elaboration after conclusion of this contract. The parties shall replace the invalid/void/non-feasible provision or loophole requiring elaboration by a valid provision, the legal and commercial content of which complies with the invalid/void/non-feasible provision and the overall purpose of the contract.

Note: The customer takes note that we save ata arising from the contractual relationship according to Article 28 of the Federal Data Protection Act (BDSG) for the purpose of data processing and that we reserve the right to transfer the data to third parties insofar as the data are required for the execution of the contract.