General Terms and Conditions

I. General Provisions, Conclusion of Contract

1) The following General Terms and Conditions apply to all agreements, offers, transactions, deliveries and services, unless provisions to the contrary are agreed. They form an integral part of every contract concluded between us as seller – hereinafter referred to as “seller” and our customers - hereinafter referred to as “purchasers”. These General Terms and Conditions equally apply to all orders effected within the framework of a global contract, irrespective of whether reference is made to them in every individual case.

2) These General Terms and Conditions apply exclusively. Deviating, contradictory or supplementary General Terms and Conditions of the purchaser will only become an integral part of the contract if the seller has expressly agreed to their validity. This requirement of consent applies in any case, for example also if the seller – in knowledge of the General Terms and Conditions of the purchaser - carries out the delivery to him without reservation. If the General Terms and Conditions of the seller and of the purchaser contradict each other, and providing the seller has at all consented to the validity of the purchaser’s General Terms and Conditions, the statutory provisions shall apply with regard to the inconsistent terms. In other respects, the provisions set out in the seller’s General Terms and Conditions shall apply.

3) Agreements and assurances as well as ancillary agreements, whether written or verbal, must be confirmed in writing in order to become valid. The seller’s customer consultants do not have the authority to agree to any changes to these General Terms and Conditions. Subsequent contractual changes also require a written form. This equally applies to modifications of the written form clause.

4) The contract shall only be concluded through a written order confirmation or through the delivery of the goods. The seller’s written order confirmation shall be conclusive for the content of the contractual relationship.

II. Delivery, Partial Delivery and Delay

1) Delivery dates and lead times, which may be agreed as binding or non-binding, must be fixed in writing. The lead times count from the date of order confirmation or the day at which nature and scope of the order are fully clarified. In the event that subsequent contractual changes are agreed, the delivery date or lead time may have to be adjusted accordingly. Lead times are considered to have been observed if the object of the delivery has left the factory before the lead time has expired.

2) The purchaser may request the seller in writing to deliver within a reasonable time period if a non-binding delivery date or a non-binding lead time has been exceeded by 3 weeks. The seller is in default at the earliest on receipt of this request. In the event of delay, the purchaser may grant the seller a reasonable extension period in writing, indicating that he will refuse acceptance of the purchased object after the expiry of this period. If the extension period expires without success, the purchaser shall be entitled to withdraw from the agreement in writing.

3) Partial deliveries are permitted. Onward deliveries abroad require the seller's written consent.

4) If a binding delivery date or binding lead time is exceeded, the seller shall be considered in default as soon as the delivery date or lead time has passed. The purchaser's rights are then determined in accordance with above Subsection 2 phrases 3 to 4.

5) In the event of Force Majeure, in particular operational disruptions, shortages of raw materials, traffic disruptions, labour disputes, measures by authorities and similar, including those encountered by a sub-contractors, the seller is relieved from his performance obligations for the duration of the impediments and their after-effects. In these cases, the purchaser shall not be entitled to withdraw from the contract or to request compensation. The same shall apply in the case of unforeseeable events or of circumstances which could render the production or delivery of the sold goods impossible or excessively difficult.

III. Shipping, Transfer of Risk

Shipping shall be effected on an ex-works basis. If the prices are agreed to be "carriage paid", the transport may also be carried out at „carriage unpaid" terms with the carriage charges credited in the invoice. As soon as the goods have left the seller's plant or are placed at the purchaser's disposal at the seller's plant, the risk transfers to the purchaser. The seller may specify the type of despatch and its execution at his reasonable discretion, unless the purchaser has provided specific instructions in this respect. Insurance cover shall only be taken out upon explicit request and at the expense of the purchaser.

IV. Pricing

1) Current orders and forward orders shall be processed according to the seller's currently valid prices. If the market conditions have changed during the time elapsed between order placing and delivery, and the period of time between order placing and earliest possible or desired delivery date exceeds 4 months, the seller is entitled to suitably adapt the agreed price according to equitable discretion. All cost changes occurred between the placing of the order and the delivery, in particular the prices for raw materials, auxiliary materials, energy and wages, need to be proportionally taken into account.

2) Unless otherwise agreed, all prices shall apply as net prices, ex works Wülfrath and excluding packaging.

V. Terms of Payment, Delay

1) Unless any other payment terms have been agreed upon, all invoices are due within 10 days from the date of invoice, without deduction. In the event of payment after the due date, the purchaser, if he is a merchant, owes due-date interest to the amount of 5 % p.a. If the purchaser comes into default, he owes

the seller default interest at the legal rate valid for transactions where consumers are not involved, which is currently nine percentage points above the respective base rate.

2) The exercising of a retention right as well as offsetting against the seller's claims shall only be permitted if the counterclaims have been recognized by the seller or have been determined as final in the course of legal proceedings.

3) If a significant change occurs to the purchaser's company or person during the time between the conclusion of the contract and the delivery, or if there are any doubts about his creditworthiness, the seller shall be entitled to perform the remaining supplies and services only upon the provision of security, to withdraw from the contract after a reasonable extension period or to request compensation due to non-fulfilment if the seller's request for the provision of security has not been complied with in due time.

4) If the purchaser defaults on his obligation to pay the purchase price, the entire claims arising from the specific contractual relationship shall be due to the seller with immediate effect and the seller shall be entitled, subject to his other rights, to either request security before any further deliveries or, if this is refused, to completely or partially withdraw from the as yet unfulfilled contract after setting a reasonable extension period.

VI. Warranty

1) The statutory regulations shall apply to the purchaser's rights in case of defects of quality and title (including false and shortfall supply as well as improper assembly or faulty assembly instructions) unless otherwise determined below. The special statutory provisions on final deliveries of products to a consumer shall in any case remain unaffected (recourse against supplier under §§ 478, 479 BGB).

2) Basis for the seller's liability for defects is, in particular, an agreement regarding the condition of the goods, if any such agreement has been made.

3) In the absence of any agreed specification of the goods, the existence or non-existence of defects therein shall be determined in accordance with the statutory provisions. The seller is not liable for public statements by third parties (e.g. advertisements).

4) The warranty claims of the purchaser require that he has complied with his obligation to investigate and rebuke pursuant to §§ 377, 381 HGB (German Code of Commercial Law). Open or hidden defects have to be reported immediately in writing to the seller. If the buyer fails to carry out the proper inspection or report of defects, the seller's liability for the non-reported defect is excluded.

5) In the case that the delivered item is faulty, the seller may initially – to his discretion – choose to provide subsequent performance by remedying the defect (subsequent improvement) or by delivery of a faultless object (substitute delivery).

6) The seller is entitled to make remedial performance conditional upon the purchaser paying the due purchase price. However, the buyer is entitled to retain a part of the payment in adequate proportion to the extent of the defect.

7) The purchaser shall allow the seller the necessary time and opportunity for due subsequent performance and shall in particular hand over the goods concerned for inspection. In the event of substitute delivery, the purchaser must return the faulty object to the seller according to the statutory provisions.

8) The expenses which are necessary for the purpose of subsequent performance, in particular transport, route, work and material costs, shall be borne by the seller if a defect is actually present. If a request to rectify a defect proves to be unjustified, the seller may request that the purchaser reimburses the resulting costs.

9) In urgent cases, e.g. if operational safety is endangered or to prevent exceptionally high damages, the purchaser is entitled to remedy the defect himself and ask the seller for reimbursement of the expenses reasonably required. The seller needs to be informed of such self-remedy immediately, if possible in advance. The right to self-remedy is excluded if the seller were entitled to refuse any subsequent performance under statutory provisions.

10) If the subsequent performance has failed or a reasonable deadline which is to be set by the purchaser for the subsequent performance has expired unsuccessfully or it is dispensable according to the statutory regulations, the purchaser may withdraw from the purchase contract or reduce the purchase price. The right of withdrawal does not exist if the defect is insignificant.

11) Claims of the purchaser for damages or reimbursement of expenses incurred in vain shall only exist according to Section VII below and are incidentally excluded.

VII. Exclusion of other liabilities

1) Unless otherwise stipulated in these General Terms and Conditions including the following provisions, the seller is liable in accordance with the relevant statutory regulations in the event of a breach of contractual and non-contractual duties.

2) The seller is liable for damage claims – regardless of the legal reason – only in case of intent or gross negligence. In cases of minor negligence, the seller is only liable

(a) for damages to life, body or health,

(b) for damages resulting from the breach of an essential contractual obligation (a cardinal obligation that must be fulfilled in order to render the proper implementation of the contract possible and which the purchaser can regularly rely upon to be fulfilled); in this case, however, the seller's liability is limited to the compensation of the foreseeable, typically occurring damage.

3) The limitations of liability stated in Subsection 2 do not apply if the seller has fraudulently concealed a defect or has accepted a guarantee for the nature of the goods. The same shall apply for claims of the purchaser according to the Product Liability Act or for data protection legal claims.

4) In the event of any breach of duty which does not relate to any defect, the purchaser shall only be entitled to withdraw from the contract or terminate the contract if the seller is responsible for the breach of duty. A free right of termination of the purchaser (in particular according to §§ 651, 649 BGB) is excluded. In other respects, the statutory requirements and legal consequences apply.

VIII Limitation period

1) The general period of limitation for claims arising from material and title defects is one year from delivery. If an acceptance is agreed, the limitation period shall begin upon acceptance.

2) If the contractual object is a building or an object which, in conformity with its customary manner of utilization, has been used as a building and which caused the defect (building material), the statute of limitations is five years as of delivery. This shall not affect special statutory provisions for the restitution of property of third parties (§ 438 (1) (1) BGB (German Civil Code), willful deceit by the seller (§ 438 (3) BGB) and claims regarding supplier’s recourse in the case of final delivery to the consumer (§ 479 BGB).

3) The above limitation periods shall also apply for contractual and non-contractual compensation claims from the purchaser which relate to a defect in the goods, unless the application of the regular mandatory statute of limitations (§§ 195, 199 BGB) would lead to a shorter state of limitations in the respective individual case. The limitation periods of the Product Liability Act and of the data protection regulations shall remain unchanged in all cases. In other respects, the statutory limitation periods shall apply exclusively with regard to the buyer’s compensation claims according to Section VII.

IX Retention of title, drawings

1) The delivered goods shall remain the property of the seller until complete payment of all current and subsidiary claims from the purchase contract and the ongoing business relationship (secured claims). This provision shall continue as valid if individual or all claims from the seller have been incorporated into a current account and the account balance has been drawn and acknowledged.

2) As long as he fulfils his payment obligations, the purchaser shall be entitled to sell the retained goods within the course of ordinary business.

3) Any claims against third parties resulting from resale or further processing of the goods shall hereby be assigned by the purchaser to the seller in their entirety, to serve as surety. Such cession shall also extend to claims on other legal grounds in connection with the delivered goods, such as claims from insurance contracts, tortious acts or unjustified personal gains. When reselling or processing the goods together with other goods not belonging to the seller, the assignment of the claim shall only be considered as ceded to the amount of the value of the retained goods.

4) As long as the purchaser complies with his payment obligations to the seller, he shall be entitled to collect the assigned claims for the invoices of the seller. However, this right shall expire if the purchaser does not – or not in time – fulfil his payment obligations or if there is reason to believe that the purchaser is insolvent.

5) If the purchaser collects the assigned claims himself, this shall take place on a fiduciary basis and the collected revenue is to be passed on to the seller at the amount of the invoice value. The seller shall be entitled to inform the purchaser of the goods – whose identity has to be disclosed to the seller upon his request - of the subrogation and issue payment instructions to him.

6) If the purchaser has initially fulfilled all his obligations and later is in default again against the seller, it shall be agreed in this case that the good in possession of the purchaser and delivered by the seller should be assigned to the seller. This assignment may be replaced by the purchaser holding the goods in safe custody according to the principles of sound stewardship.

7) If the goods delivered by the seller under retention of title are processed, combined, mixed or blended with other goods not belonging to the seller, the seller acquires co-ownership of the new item in proportion of the value of the retained goods to the other goods at the time of processing, combining, mixing or blending. If the purchaser produces a new item using the seller's goods at the order of a third party, the purchaser grants the seller co-ownership in proportion to the value of the retained goods which were used for the new item, and the new item must be stored for the seller free of charge and according to the principles of sound stewardship.

8) Upon request, the purchaser is obliged to hand over to the seller all documents necessary for asserting his rights against third parties and to provide information as to which goods delivered under retention of title are still in the possession of the purchaser, where they are located and to which customers the remaining goods belonging to the seller have been delivered, according to their quantity and nature.

9) The seller is entitled to inspect the goods at any time at their respective locations, and in the case of legitimate doubts regarding insolvency or the willingness to pay on the part of the purchaser, to repossess the goods in the purchaser's possession.

10) If third parties access the goods subject to the seller's (co-)ownership, the purchaser shall notify said third party of the seller's ownership and immediately inform the seller. The costs necessary for the proper pursuit of the claim to safeguard the seller's property shall be borne by the purchaser. If the validity of the retention of title is tied to certain formal requirements in the purchaser's country, the purchaser shall be obliged to bear the costs for their fulfilment.

11) If the value of the retained or collateral ownership exceeds the seller's total claims from the business relationship with the purchaser by more than 10%, the seller shall be obliged in this case to release the excess security at the purchaser's request, but only for those deliveries or their substitutes which themselves have been fully paid.

12) Drawings provided by the purchaser shall remain the property of the purchaser and shall be returned to him at his request. Subsequent modifications to the drawings or the order shall entitle the seller to charge the resulting extra costs to the purchaser. The purchaser shall bear the costs which result from an inaccuracy of a drawing or misleading information.

13) Drawings which the seller delivers for the production or installation of his products remain his property. They shall not be made accessible or transferred to other parties.

14) Any models, tools or moulds necessary for the production of the seller's products shall remain his property.

X. Place of Fulfilment, Place of Jurisdiction

1) Place of fulfilment is the registered office of the seller.

2) For these General Terms and Conditions and for all legal relationships between the seller and the purchaser, the law of the Federal Republic of Germany shall apply, to the exclusion of all international and supranational (contractual) legal systems, in particular the UN Convention on Contracts for the International Sale of Goods. The requirements and the effects of the retention of title according to § 6 shall be subject to the laws of the respective storage location of the product, insofar as these state that the choice of law made in favour of Geman law is inadmissible or invalid.

3) If the purchaser is a merchant in accordance with the purpose of the legislation of the commercial law, a legal entity under public law, or a special fund under public law, the exclusive - also international – place of jurisdiction for all disputes resulting directly or indirectly from the contractual relationship or its initiation is the seller's place of business in Wülfrath/Germany. The seller is however equally entitled to pursue claims at the purchaser's general place of jurisdiction.

4) General obligation to provide information, in accordance with the Act on Alternative Dispute Resolution in Consumer Matters (§ 36 VSBG): The seller is neither willing nor obliged to take part in dispute resolution procedures before a consumer conciliation body.

Th. Scholten GmbH & Co. KG

Tel.: +49 (0)2058 9245-0 Fax: +49 (0)2058 9245 320 www.scholten-gmbh.de scholten@scholten-gmbh.de Robert-Bosch-Str. 23-25 D-42489 Wülfrath

USt-ID-Nr. DE121546610 **Steuer-Nr.** 13957280195 **Geschäftsführer** Lutz Scholten

Kommanditgesellschaft, Sitz Wülfrath
Registergericht Wuppertal, HRA 18738
persönlich haftende Gesellschafterin:
Th. Scholten Verwaltungsgesellschaft mbH
Wülfrath, Amtsgericht Wuppertal, HRB 12757

Deutsche Bank AG
Kto. 342357100
BLZ 33070090
IBAN DE79330700900342357100
BIC DEUT DE DW

Commerzbank AG
Kto. 641050900
BLZ 30080000
IBAN DE16300800000641050900
BIC COBA DE FF XXX