

# General terms of delivery

RECTUS GmbH, Daimlerstr. 7, 71735 Eberdingen

- Offers** for standard articles are always non-binding and subject to change. Where offers for standard articles are worked out especially for the customer, we hold ourselves bound for a maximum of 4 weeks. Unless any other arrangement is agreed, our offers do not include any warranty for the suitability of our articles for a purpose desired by the customer. Guarantees of assured characteristics and durability under the terms of § 443 of the Civil Code (BGB) are not provided - unless any contrary agreement has been made. Details in brochures and other advertising statements are non-binding and do not constitute any declarations of guarantee or any other statement which constitutes a binding basis of contract. Due to the large number of application options, we can provide no guarantee of the correctness of our recommendations in individual cases. Our suggestions always require prior practical testing in the customer's business.
- Prices** are based on the respective valid price list, unless any special agreements have been made in writing. Where price lists from the previous year or years are used, the corresponding mark-ups must be expected. All prices are understood to be in euros and subject to the addition of any applicable value-added tax, transport costs, transport insurance, packaging costs, customs and other costs ex warehouse of Rectus.
- Orders** for immediate delivery shall not be confirmed separately insofar as the terms specified in the order for the price, delivery period and other conditions are correct, and especially insofar as they comply with these general terms of delivery and the current price list. If the time between the order confirmation and the delivery or performance is more than 4 months, especially for framework agreements and/or call orders without a complete time schedule, we shall be entitled to make reasonable increases in the price after the aforementioned period if these price increases are based on changes in contributory price factors such as general wage increases, increases in the cost of raw materials, inflation or comparable circumstances. For framework agreements and/or call orders, the respective delivery dates shall be agreed in writing in good time.
- Any terms of business of the customer**, especially conditions of purchase, shall not be deemed part of the contract even if we do not explicitly contradict them.
- Delivery dates** - even if they are not binding - shall require our written confirmation in every case, and the same shall apply to changes in delivery dates. For non-binding delivery dates, especially for orders for immediate delivery as specified in section 3, the customer shall only be entitled to put us in default at the earliest 4 weeks after the non-binding delivery date.

The delivery date shall be deemed to have been complied with if the object for delivery has left our premises at this time, or the customer has been notified that it is ready for despatch.

The delivery date shall be extended by a reasonable period - even during any delay - in the event of force majeure and all unforeseen hindrances which occur after the finalisation of the contract and for which we are not responsible. Hindrances which result from circumstances and conditions of our own suppliers shall also be deemed to be hindrances for which we are not responsible. We shall inform the customer of the start and end of such hindrances as soon as possible.

In the event of an extension of the delivery dates due to force majeure and comparable circumstances (including circumstances affecting our suppliers), the customer shall only be entitled to revoke the contract if binding and agreed delivery dates are exceeded by 6 weeks. The period for non-binding agreed delivery dates shall be 10 weeks. Any further claims of the customer are excluded in cases of force majeure or similar circumstances. In the event of delays in delivery due to force majeure or difficulties of supply from our suppliers, we shall be entitled to revoke the contract with the customer.
- We shall only be liable for **compensation (especially for delayed delivery, poor performance and impossibility of supply)** in cases of deliberate action and gross negligence. The same shall apply if there is any blame on the part of any vicarious agent or supplier.

This limitation of liability shall be generally applicable, especially for quasi-contractual obligations in the sense of § 311 of the Civil Code (BGB) and tortious claims, except for claims resulting from damage to life, bodily injury or damage to health.

If the customer is a business enterprise under the terms of § 14 of the Civil Code (BGB), any liability for property damage and consequential loss arising from a violation of duties on whatever legal grounds (especially due to delay, poor performance and impossibility of performance) shall also be limited to the damage which typically arises in transactions of the respective kind, or from impaired performance of the respective kind, and the maximum amount shall be restricted to the value of the delivery or performance or any insurance which may come into play.

Furthermore, it shall be a requirement for any claims of the customer against us that the customer itself has been faithful to the contract, especially in fulfilment of the customer's contractual obligations. This shall also apply to any long-standing performance obligations of the customer which have not been completely fulfilled.
- The delivery** shall be ex works or ex our consignment warehouse at the expense and risk of the customer unless any contrary agreements have been made. Unless any contrary agreements have been made with the customer, we shall be free to select the mode of despatch at our own dutiful discretion. The risk shall transfer to the customer as soon as the consignment has been handed over to the person carrying out the transport, or has left our factory or consignment warehouse for despatch. This shall also apply even if we carry out the transport ourselves. In this case, our liability shall be limited as detailed in section 6 of these general terms of delivery. At the request and expense of the customer, the delivery shall be insured. If the consignment is delayed for reasons for which the customer is responsible, the risk shall pass to the customer with the notice of readiness for forwarding.

We shall be entitled to make partial deliveries and performance if this does not involve any undue hardship for the customer.
- We shall select the packaging and mode of despatch** at our own dutiful discretion unless special agreements have been made and confirmed by us in writing. The packaging shall be charged at cost price and only taken back at the expense of the customer. Transport insurance shall be taken out at the expense of the customer if the customer demands it in good time.
- Payments** shall be due at the full final invoice amount 30 days after the date of the invoice. We grant a discount of 2% for payments made within 10 days from the invoice date. Any other terms of payment shall require our written approval. The acceptance of bills of exchange or payments based on cheques or bills of exchange are refused on principle. Our accounts receivable shall be due immediately if the terms of payment are not complied with or we learn of facts which cast doubt on the creditworthiness of the customer.

Without prejudice to the enforcement of further damage, default interest of 8% above the base rate shall be payable by customers in cases of delayed payment for transactions with business enterprises in the sense of § 288 sub-section 2 of the Civil Code (BGB), and 5% above the base rate for all other transactions.

The customer shall only be entitled to offset claims against our claims, or to enforce a right of retention for such claims, if the claims are undisputed or have been awarded by an unappealable ruling.

If the customer makes an objection to any material or legal deficiency, the customer shall only be entitled to hold back payments to us insofar as the amount is reasonable in relation to the deficiency that is objected to; insofar as the customer does not prove any additional damage or cost of remedying the deficiency, the amount held back shall not exceed three times the cost of remedying the deficiency.

Collection expenses, costs of debt collection agencies and the resulting court and legal representation costs shall in all cases be borne by the debtor. For every payment reminder, we shall charge a lump sum reminder fee of € 10.00 plus value-added tax; we expressly reserve the right to enforce any further damage or loss.
- Return consignments.** For return consignments as a result of unjustified complaints, we shall charge rewarehousing expenses of 20% of the invoiced value of the returned goods. However, this shall only apply to goods from stock; a return of articles produced to order is excluded.

- Notice of defect/warranty.** The customer shall check the received goods immediately after receipt for their quantity, condition and assured properties. Variations in quantity of up to 10% above or below the order volume shall be permissible and not constitute a right to complaint of deficiency.

The customer shall notify us in writing of any obvious defects within 2 weeks after the receipt of the goods. Our obligation to grant warranty shall lapse in the event of late notification unless the customer proves that it was not possible to give notice in time.

In the case of justified complaints, the customer shall be entitled to subsequent fulfilment for which it can set a reasonable period which must be at least two weeks; the subsequent fulfilment shall be at our discretion (remedy of the deficiency or replacement supply). For the subsequent fulfilment to take place, the customer shall especially provide the object claimed to be deficient, or samples thereof if appropriate; otherwise the warranty shall not apply. We are only able to process complaints, if the medium used for analyses by the customer is provided.

If two attempts at subsequent fulfilment have failed, the customer shall be entitled to the rights specified in § 437 No. 2 and No. 3 of the Civil Code (BGB) designates. However, the amount of any compensation claims shall be subject to limitation of liability in accordance with section 6 of these general terms of delivery.

Warranty claims against us shall not apply to any changes or repair work carried out incorrectly by the customer or third parties, or any defects caused by such changes or repairs. The same shall apply if the customer fails to abide by our assembly instructions, recommendations for materials and suggestions for use.

The warranty period shall be one year from the transfer of risk insofar as the customer is a business enterprise in the sense of § 14 of the Civil Code (BGB), and 2 years in all other cases.
- Reservation of ownership.** All goods supplied shall remain our property until all accounts receivable from the business relationship have been paid in full, including any auxiliary claims, claims for compensation and claims which will become effective in the future. This shall especially apply until any cheque or bill of exchange which we may accept in payment on the basis of a special agreement has been encashed, and also if any or all of our accounts receivable have been included in an open account (current account) and the balance has been struck and accepted.

Any processing and treatment of the reserved goods shall be on our behalf as the producer in the sense of § 950 of the Civil Code (BGB), but without any liability on our part. The processed and treated goods shall be deemed to be reserved goods under the terms of the above paragraph.

If the customer processes, joins and mingles the reserved goods with other goods, we shall be entitled to co-ownership of the new product in proportion to the invoice value of the reserved goods in relation to the invoice value of the other goods. If our ownership should lapse as a result of the joining, mingling or processing by the customer, the customer assigns to us in advance its entitlement to the property and entitlement rights in the new stock or goods for the invoice value of the reserved goods, or for processed goods, in proportion to the invoice value of the reserved goods in relation to the invoice value of the other goods, and the customer shall hold them on our behalf free of charge. Our co-ownership rights shall be deemed to be reserved goods in the sense of the above provision.

The customer shall only be entitled to resell the reserved goods in its normal business transactions at its normal terms and conditions and as long as it is not in default with its performance to us under this contract; subject to the proviso that the customer agrees a reservation of ownership with its customer and that the accounts receivable from the resale shall be transferred to us in accordance with these general terms of delivery. The customer shall not be entitled to dispose of the reserved goods in any other way. Any use of the reserved goods in fulfilment of service contracts or contracts for work, labour and materials shall be deemed to be a resale.

The customer's accounts receivable for the resale of the reserved goods are assigned to us in advance. They shall serve as security for our claims to the same extent as the reserved goods in the sense of section 12 sub-section 1.

If the reserved goods are resold by the customer together with other goods, the accounts receivable for the resale shall be assigned to us in proportion to the invoice value of the reserved goods in relation to the invoice value of the other goods. When goods in which we have obtained co-ownership shares under section 12 sub-section 3 of these general terms of delivery are resold, a proportion of the accounts receivable corresponding to our co-ownership share shall be assigned to us.

The customer shall be entitled to collect accounts receivable from the resale unless we revoke this collection entitlement. A revocation of the collection entitlement shall especially be permissible and reasonable for the customer if any circumstances arise after the conclusion of the contract which cause a significant deterioration in the customer's financial situation, or if we learn of such a deterioration of the customer's financial situation which existed before the conclusion of the contract, and if this deterioration of the customer's financial situation jeopardises the payments to which we are entitled. A deterioration of the customer's financial situation shall especially be deemed to apply if any third party enforcement proceedings are initiated against the customer which are not remedied by the customer without delay within two weeks after the initiation of the enforcement proceedings and/or if an application for insolvency is filed for the customer's assets. In this case, we shall be entitled to demand that the customer immediately notifies its purchasers of the assignment to us and surrenders to us the information and documents necessary for collection. This shall be without prejudice to our right, after a prior warning to the customer, to inform its customers of the assignment. The customer shall notify us without delay of any seizure or other impairment by third parties.

The customer shall under no circumstances be entitled to assign the account receivable, not even in the framework of factoring transactions. If the value of the existing security exceeds the total value of the secured accounts receivable by more than 20%, we shall be obliged to release securities of our choice to this extent if the customer so demands.

To the extent that the value of the existing collateral exceeds the secured claims by more than 20%, we undertake, at our discretion, to release collateral at the request of the customer.

In the event of any violation of major contractual obligations by the customer, especially delayed payment, we shall after a prior warning be entitled to take back the goods. This taking back of the goods shall not be deemed to be a revocation of the contract in the sense of § 449 sub-section 2 of the Civil Code (BGB) unless we expressly declare such revocation to the customer in writing.
- The place of jurisdiction/language of the contract** for all disputes which may arise between the parties, and the place of performance for all obligations arising from this contract, in business dealings with business enterprises, legal entities under public law or special funds under public law shall be our registered place of business. However, we reserve the right to take court action at the registered place of business of our customer.

All rights and duties arising from this contract shall be subject to German law, but without the application of UN commercial law and the transformation regulations issued in this respect.

If these terms of delivery are translated into any other language, the German text version shall be the exclusive legally binding version.
- Alterations or additions** to any provision of the contract shall require written form exclusively. This shall also apply to any agreement to waive the requirement of written form.
- Lack of validity.** Any lack of validity of individual provisions in these general terms of delivery shall not affect its validity in other respects.
- Small orders.** The minimum value for orders is 50.00 Euro worth of goods.
- Data protection.** We shall store and process any personal data which is made available to us in connection with the contractual relationship under the requirements of the Federal Data Protection Act.

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