

Standard Terms and Conditions (Entrepreneur)

1. Area of Application

- 1.1 These Standard Terms and Conditions apply to all contracts for deliveries and services to business persons (§ 14 BGB [German Civil Code]).
- 1.2 We will not accept differing terms and conditions from the customer, unless we expressly approved their validity in writing.

2. Quotation and Contract Conclusion

- 2.1 Our quotations are subject to change. A purchase contract comes into effect only when we execute the order or confirm the order in writing.

3. Prices

- 3.1 Prices are ex works. They do not include the packaging and shipping costs as well as the statutory value added tax.
- 3.2 The current list prices valid on the date of delivery are applied.. In addition to that, we reserve the right to charge the prices valid on the date of delivery due to incurred cost increases (for wages, material and energy) in arrears for contracts with a delivery time of more than 4 months.

4. Delivery Time and Delivery Quantity

- 4.1 The agreed delivery time begins upon dispatch of our written order confirmation, at the earliest, however, upon fulfillment of the customers duties to cooperate (such as provision of design plans, documents and/or drawings and notification of all circumstances essential for the execution of the order) and upon clarification between the parties of all details of execution.
- 4.2 The delivery time is considered as kept if the delivery item has left the warehouse on expiration of the delivery time or if we have announced the readiness of dispatch.
- 4.3 If non-compliance with the delivery time is based on unforeseeable events beyond our control (such as force majeure, labour disputes, company break-downs, committee work, delay in delivery caused by pre-suppliers), we are entitled to reasonably postpone the delivery time by the duration of the malfunction. This also applies if these circumstances occur during an already existing delay.
- 4.4 If the customer is entitled to claim compensation for default due to slight negligence on our part, this claim is limited to 0.5 % of the value of the delayed delivery for each full week of delay, however, in total no more than 5 % of the value of that part of the entire delivery that could not be put to the contractual use due to the delay.
- 4.5 Partial deliveries are permitted to the extent reasonable, even if this results in higher shipping costs to the recipient due to this.
- 4.6 Excess quantities or shortfalls of 10 % are permitted in this industry.
- 4.7 Only orders of a minimum value of 150,- Euro will be proceed.

5. Packaging, Dispatch and Risk Taking

- 5.1 The type and method of packaging is up to us.
- 5.2 The risk passes to the forwarding agent or carrier upon transfer of the goods, at the latest, however, when the goods leave the warehouse. This also applies if carriage-free delivery has been agreed.
- 5.3 If dispatch is delayed due to circumstances which the customer is responsible for, the risk passes to the customer from the day of readiness of dispatch.

6. Payment

- 6.1 Our invoices are payable without any deduction to our payments office within 30 days of the date of invoice. The same applies to partial deliveries. If payment is made within 8 days of the date of invoice, we will grant a cash discount of 2 % as long as the customer has paid our other due invoices.
- 6.2 Cheques and bills of exchange shall only be accepted upon special arrangement and for processing purposes only. Bill of exchange charges and discount charges are borne by the customer and are payable immediately.
- 6.3 The customer is only entitled to rights of retention if its counter-claim is based on the same contractual relationship. The customer may only offset claims against counter-claims that are undisputed, are ready for a decision or legally determined.
- 6.4 Should we get to know a considerable deterioration in the customer's financial circumstances, we are entitled to perform services only if a guarantee is given (such as absolute guarantee, bank guarantee). If the customer fails to comply with the request to give a guarantee in due time, we shall have the right to withdraw from the contract and to demand compensation for damages.

7. Claims due to Defects and Liability

- 7.1 The customer must give notice of obvious defects within 14 calendar days after delivery. § 377 HGB shall apply to traders.
- 7.2 In case of defects, we shall warrant by means of subsequent improvement of defects or replacement delivery at our option. If the subsequent improvement of defects or replacement delivery fails, the customer may demand, at its option, a reduction of the contract price or withdrawal from the contract.
- 7.3 We are not liable for defects that are based on the customer's specifications (e.g. constructional drawings and instructions).
- 7.4 All claims due to a defect become statute-barred within one year from the date the goods were delivered. This doesn't apply to claims for damages according to item 7.5 and recourse claims pursuant to § 478 BGB [German Civil Code].
- 7.5 Should we be obliged under contract or law to compensate damages, we are liable for damages resulting from an injury to life, body or health which are based on a breach of duty that is negligent at the least. Furthermore, we are liable for the infringement of a fundamental contractual obligation that is negligent at the least, yet limited to the foreseeable, typically occurring damage. With regard to all other damages, we are only liable for a wilful or grossly negligent breach of duty. A breach of duty on our part shall be equal to a breach of duty on part of our legal representative or vicarious agent. In case

of fraudulent concealment of a defect, the liability resulting from giving a guarantee or assuming a procurement risk and pursuant to the German Product Liability Act remain unaffected.

8. Retention of Title

- 8.1 The delivered goods remain our ownership until all claims from the business relationship we are entitled to against the customer have been fulfilled. In the case of a current account, the retained ownership ensures our current account balance claims. If payment is effected by means of a bill of exchange, the retention of title will not lapse until the bill of exchange has been paid by the customer as acceptor.
- 8.2 Any processing of or alterations to the goods are always carried out for us as the manufacturer without us being under any obligation by this. If the goods are processed, mixed or combined with other objects that are not owned by us, we shall acquire co-ownership of the new goods in a ratio of the invoice value of the goods to the other objects at the time of processing, mixing or combination. If our ownership expires as a result of combination or mixing, the customer herewith transfers its (co-)ownership of the uniform item to the extent of the invoice value of the goods delivered by us.

The customer holds our (co-)ownership in safe custody for us free of charge and with the diligence of a prudent businessman and insures it against break-age, theft and damage caused by fire or water.

- 8.3 The customer is entitled to resell the goods or our (co-)ownership (together with all future goods subject to retention of title) in the orderly course of business. The customer herewith assigns to us all claims regarding the goods subject to retention of title that arise from reselling or for any other legal reason (such as insurance, unauthorised action) of the invoice amount agreed with us (including value-added tax), irrespective of whether the goods subject to retention of title were processed before. If a current account has been agreed between the customer and its end customer, the claim assigned to us also refers to the recognised balance and, in the case of insolvency, to the causal balance.

The customer is authorised to collect the assigned claims. We have the right to revoke the authorisation to resell and to collect claims if the customer is in arrears or if any other considerable deterioration of its financial circumstances or creditworthiness arises. In such a case, the customer is obliged to supply us with information and documents necessary to assert the assigned claims and to inform third-party debtors of the assignment.

- 8.4 Pledging or transferring the goods subject to retention of title by way of security is prohibited. The customer must inform us immediately of any enforcement measures taken by third parties relating to the goods subject to retention of title or the claims assigned to us and must handover any documents necessary for an intervention. The customer bears any residual costs from resulting legal action despite our winning the case.
- 8.5 If the customer is in arrears, we are entitled to take back the goods. The customer is obliged to return the same. Taking back the goods only constitutes a rescission of the contract if explicitly declared by us as such in writing.

We are entitled to realize the goods taken back after prior threat of realization and fixing a reasonable period to realize the goods through private sale. The proceeds obtained from realization are set off against the price after deduction of the realization costs.

- 8.6 If the realizable value of the securities exceeds the nominal value of the secured claims by more than 10 %, we will be obliged to release the securities at our option and at the customer's request.

9. Right of Pledge

Due to our claims arising from the order, we are entitled to a contractual right of pledge to the objects transferred into our possession due to the order if wage work has been agreed. If we become the owner of the new item due to toll processing or if objects integrated by us do not form an essential part of the object of the contract, the retentions of title in this respect shall apply pursuant to item 8.

10. Place of Performance and Place of Jurisdiction

- 10.1 The place of performance for the delivery is the place of our plant or warehouse. The place of performance for the payment is Wuppertal, Germany.
- 10.2 If the party to the contract is a merchant, the place of jurisdiction for all disputes arising from the contract is Wuppertal, Germany. We are entitled to sue the customer at its general place of jurisdiction.

11. Final Provisions

- 11.1 The law of the Federal Republic of Germany is applicable to the exclusion of the UN Sales Convention.
- 11.2 Should single provisions of the contract be ineffective, the effectiveness of the remaining provisions are not affected thereof. Ineffective provisions are replaced by a regulation which comes closest to the parties' economic purpose.

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