

## **REISSER SCHRAUBENTECHNIK - Gen Terms**

### **I. General, quotations, orders and conclusion of contract:**

1. Our deliveries and services shall be exclusively on the basis of these terms and conditions of business. Terms and conditions of buying or business of our contracting partner shall only be binding for us if we expressly acknowledge them in writing. An additional contradiction of the bindingness of the contracting partner's terms by us shall not be necessary. Our terms and conditions shall be deemed accepted no later than acceptance of our order confirmation free of contradiction.
2. These terms and conditions shall apply for future transactions even if they are not expressly agreed in each individual case.
3. Sundry agreements deviating from these terms and conditions shall only be valid if they have been expressly confirmed by us in writing. Such special written agreements shall have priority over these terms and conditions to the extent that they contradict them. Apart from this, these terms and conditions shall remain unaffected.
4. Our quotations shall be without obligation unless an agreement to the contrary has been expressly made.
5. An order shall only be deemed accepted by us if it has been confirmed in writing. In particular, telephone agreements and arrangements shall require written confirmation. Confirmation can also be given in the form of an invoice being issued.

### **II. Prices**

1. The contracts between Customer and ourselves shall be concluded for fixed prices as a matter of principle. However, we shall be bound to the fixed prices for no longer than the expiry of a period of 8 weeks from order confirmation. After expiry of this period, we shall be allowed to adapt the prices, taking the development of the market price since the date of the order confirmation and the principles of § 315 German Civil Code into account. The same shall apply if the market prices for the commodities sold change by more than 2 % from the conclusion of the contract (date of the order confirmation) until delivery.
2. Our prices shall be understood in EURO and, to the extent obligation to VAT exists, plus the statutory Value Added Tax to the amount applicable at the time of delivery.
3. If freights, dues or fees are increased or introduced after conclusion of the contract, we shall be entitled to amend the price accordingly. This shall particularly apply in alterations of import, customs and foreign currency provisions.

### **III. Delivery and dispatch**

1. Delivery dates and delivery periods shall only be approximate unless we have expressly assured them in writing as being binding.
2. Delivery periods with receipt of our order confirmation. When unusual types are manufactured, deviations from the quantity ordered of up to 10 % are permissible.
3. In arrears in delivery, Customer must set a suitable subsequent period in writing. After fruitless expiry of this period, it shall have the right to withdraw from the contract. Further extra-contractual or contractual claims, in particular claims to damage on account of culpa in contrahendo, arrears or failure to perform shall be ruled out unless we are liable for malice aforethought or gross negligence.
4. Orders placed on call without a precisely fixed deadline must be called no later than 6 months after placement of the order. Maturity of our claims shall occur at this time at the latest, albeit not before invoicing. In addition, we shall have the right to withdraw from the contract or from the part of the contract not yet fulfilled after setting a suitable subsequent period. In lieu of withdrawal, we shall also be entitled to charge Customer additional costs caused by a delayed call or subsequent alteration of the call with regard to time or quantity; our calculation shall be decisive in this.
5. Incidents of force majeure shall entitle us to postpone the delivery or the service for the duration of the prevention plus a suitable run-up time, even if the incidents occur with our suppliers or their sub-suppliers, or to withdraw partly or totally from the contract on account of the part not yet fulfilled. Force majeure shall be equivalent to strikes, lock-outs, mobilisation, war, blockades, import and export bans, traffic disturbances, operational interruptions, fire and other accidents or circumstances which cannot be influenced by us and which make delivery unreasonably more difficult or impossible for us.
6. Customer can demand a declaration from us whether we withdraw from the contract or deliver within a suitable period. Claims to damages shall also be excluded in the above mentioned cases to the extent that we are not liable for malice aforethought or gross negligence.
7. Customer engages to notify us of the specification and the other information needed to implement the order by the agreed date. If Customer gets into arrears with this, we shall be entitled, at our option, to specify ourselves and then to supply, to withdraw from the contract or to demand damages on account of non-performance.
8. Place of performance for the delivery for both sides shall be Ingelfingen.
9. The goods shall travel uninsured and, in any case, at Customer's risk. Customer and we have agreed that the goods shall be sent to Customer ex (delivery) works or ex warehouse.
10. If no specific agreement has been made, we shall select the means and the route of transport with no liability for the cheapest and quickest transport.
11. Punctual and correct delivery to us and proper arrival shall be reserved. We shall be entitled to deliver prematurely. Part deliveries may not be rejected.

### **IV Returns**

If Customer returns properly delivered goods with our approval, a processing fee of 10%, however at least an amount of €25.00, shall be deducted from the credit. In addition, Customer shall bear the risk and the cost of the return as well as the freight.

## **V. Technical defects**

1. The time of the passage of risk shall be decisive for the contractual condition of the goods.
2. We shall not be liable for technical defects caused by unsuitable or improper use, faulty assembly or commissioning by Customer or third parties, customary wear and tear, faulty or negligent treatment, likewise not for the consequences of improper alterations or repair work by Customer or third parties or such carried out without our approval. The same shall apply for defects only inconsiderably reducing the value or the usefulness of the goods.
3. Claims to technical defects shall be barred after 12 months. This shall not apply to the extent that law prescribes mandatory longer periods.
4. The validity of the provision of § 377 German Commercial Code concerning the obligation to examination and notification of defects shall be unaffected. However, notification of defects and complaints on account of delivery of non-contractual goods can be made within 14 days of the arrival of the goods at the destination. Defects and complaints on account of delivery of non-contractual goods, which cannot be discovered within this period even with careful examination, shall be notified or claimed, as the case may be, immediately after discovery and with an immediate stop to any processing.
5. We shall be given an opportunity of establishing the defects notified. Goods causing complaint shall be sent back to us without delay upon request; we shall bear transport costs if the notification of defects is justified. If Customer fails to comply with these obligations or makes alterations to the goods already notified as defective without our approval, it shall lose all and any claims to technical defects.
6. In the event of a justified, punctual notification of defects, we shall, at our option, rework the defective goods or provide flawless replacement.
7. If we fail to comply with these obligations at all or contractually within the set period, Customer can set us a last period in writing, within which we must comply with our obligations. After a fruitless expiry of this period, Customer can demand reduction of the price, withdraw from the contract or carry out the necessary reworking itself or have it done by a third party at our expense and risk. If reworking has been done successfully by Customer or a third party, all claims of the parties shall be deemed settled with the reimbursement of the necessary costs incurred by it. Reimbursement of costs shall be ruled out to the extent that the expenditure increases because the goods have been taken to another place after our delivery, unless this corresponds to the intended use of the goods.
8. Customer's statutory claims to recourse against us shall only exist insofar as Customer has not made any agreements exceeding the statutory claims to defects with its customer. Section 7, last sentence, shall apply accordingly for the scope of the claims to recourse.

## **VI. Other claims, liabilities**

1. If nothing to the contrary is stated below, other and further claims of Customer against us shall be ruled out. This shall particularly apply for claims to damages on account of breaches of obligations from the contractual relationship and from tort. We shall therefore not be liable for damages not occurring to the goods delivered themselves. Above all, we shall not be liable for loss of profits or other consequential loss by Customer.
2. The above mentioned limitations of liability shall not apply for malice aforethought and gross negligence of our legal representatives or senior employees or for culpable breaches of essential contractual obligations. In the event of culpable breaches of essential contractual obligations, we shall only be liable - except for cases of malice aforethought or gross negligence of our legal representatives or senior employees - for damages typical for the contract and reasonably foreseeable.
3. The limitation of liability shall further not apply in the cases in which there is liability for damage to persons or objects for privately used objects according to the Product Liability Act in defects of the goods delivered. It shall also not apply in cases to injury to life, limb or health or if assured properties are missing, if and insofar as the assurance had the precise purpose of securing Customer against damage not occurring to the goods delivered themselves.
4. To the extent that our liability is ruled out or limited, this shall also apply for the personal liability of our employees, workers, fellow-workers, legal representatives and vicarious agents.
5. The statutory provisions on onus of proof shall remain unaffected hereby.

## **VII. Payment terms**

1. Payment shall be made "net cash" within 20 days as a matter of principle, however no later than the day of the latest payment period stated on the invoice.
2. Payments within 8 days can be made with 2 % discount.
3. If we have indisputably delivered partly defective goods, our Customer shall nevertheless be obliged to make the payment for the defect-free part, unless the part delivery is of no interest to it. Apart from this, Customer can only offset with legally effective or undisputed counter-claims.
4. If the payment period is exceeded, we shall, notwithstanding further claims to damages, be entitled to charge default interest without further reminder to the amount of the rate which the bank charges us for current account loans, albeit at least 8 percentage points above the basic interest rate of the European Central Bank at the time.
5. In arrears in payment or a considerable deterioration of Customer's economic situation after conclusion of the contract, we shall be entitled to demand pre-payment and securities on account of claims which are mature and not yet mature from all existing contracts and to reject fulfilment until pre-payment or securities are rendered.  
If Customer fails to comply with the request for pre-payments within a suitable subsequent period set by us, we shall be entitled, at our option, to withdraw from the contract or to demand damages on account of non-performance. The same shall apply if circumstances making creditworthiness of Customer appear dubious and in existence upon or before conclusion of the contract only become known to us after conclusion.
6. Unpunctual payment shall entitle us, in part delivery, to reject further delivery of the quantity still to be delivered from the contract without an obligation to damages.

7. Rights of offsetting shall only accrue to Customer if its counter-claims are legally effective, undisputed or have been acknowledged by us. Rights of retention can only be exercised for claims which are undisputed, ready for decision or legally effective and only if they are based on the same contractual relationship. Reference to exclusion of rights of retention shall additionally be forfeited if we have made ourselves guilty of gross breaches of the contract.

8. For sales in foreign currency, Customer shall bear the exchange rate risk upon conclusion of the contract.

#### **VIII. Retention of title**

1. We reserve ownership of the goods delivered until fulfilment of all claims from the business relationship with Customer.

2. Customer shall be entitled to sell these goods in the ordinary course of business as long as it punctually complies with its obligations from the business relationship with us. However, it may neither pledge nor transfer the conditional commodities by way of security. It shall be obliged to secure our rights in credited reselling of the conditional commodities.

3. In arrears in payments by Customer, we shall, following setting of a suitable subsequent period and also without withdrawal, be entitled to demand return of the conditional commodities at Customer's expense. Customer entitles us here and now to have access to its premises and to collect the goods delivered.

Return of the goods or claiming of rights of retention and seizure of the goods shall only entail a withdrawal from the contract if we expressly declare this.

We shall be entitled to withdraw from the contract if an application for opening of insolvency proceedings against Customer's assets has been made.

4. All claims and rights from the sale or, possibly, rental of goods permitted to Customer, to which rights of ownership accrue to us, shall be ceded to us here and now by Customer by way of security. We hereby accept this cession.

5. Any processing and machining of the conditional commodities shall always be done by Customer on our behalf. If the conditional commodities are processed or inseparably mixed with other objects not belonging to us, we shall acquire co-ownership of the new object in the ratio of the value of the invoice for the conditional commodities to the other processed or mixed objects at the time of the processing or mixing.

If our commodities are combined or inseparably mixed with other movable objects to form a single object and if the other object is to be regarded as the principal object, Customer shall transfer co-ownership to us pro rata insofar as the principal object belongs to it. Customer shall keep the property or co-property on our behalf. The same shall apply for the object resulting from the processing, combining or mixing, as the case may be, as for the conditional commodities.

6. Customer shall notify us without delay of compulsory enforcement measures of third parties against the conditional commodities, the claims ceded to us or other securities, handing over the documents necessary for an intervention. This shall also apply for impairments of any kind.

7. We shall release the securities accruing to us in accordance with the above provisions upon request by Customer insofar as the value of the commodities delivered under our retention of title exceeds the claims to be secured by more than 20%.

#### **IX. Place of performance, venue and applicable law**

1. The place of performance for both parties shall be Ingelfingen.

2. Venue in any case - also for complaints on bills of exchange and cheques - shall be Künzelsau.

3. The contractual relationship shall be exclusively governed by the law of the Federal Republic of Germany.

Application of the United Nations Convention of April 11, 1980 of the International Sale of Goods (CISG - "Vienna purchasing law") shall be ruled out.

#### **X. General**

1. Subsidiary agreements shall be in writing and shall only be effective if they have been expressly confirmed by us in writing. This shall also apply for doing away with the necessity of written form.

2. Should any of the above terms and conditions be or become ineffective for any reason, the effectivity of the remaining terms and conditions shall remain unaffected.

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