

# GENERAL TERMS OF DELIVERY AND PAYMENT of REISSER-Schraubentechnik GmbH

## I. General remarks and scope

1. The present General Terms of Delivery and Payment ("delivery and payment terms") apply to all business transactions entered into by REISSER-Schraubentechnik GmbH ("REISSER") and its customers ("customer"). These delivery and payment terms apply only if the customer is an entrepreneur within the meaning of Section 14 of the German Civil Code ("BGB"), a public law entity or a special fund under public law. The latest version of these delivery and payment terms can be accessed at <http://www.reisser-screws.com/kontakt/agb>.
2. These delivery and payment terms shall apply exclusively to all business transactions. Any conflicting or diverging terms and conditions of the customer are excluded, unless their application was expressly agreed to by REISSER. The present delivery and payment terms shall apply even if REISSER effects delivery to the customer without reservation while being aware of the customer's conflicting, diverging or supplementary terms.
3. Separate, individual agreements concluded with the customer shall take precedence over the provisions in these delivery and payment terms. However, these individual agreements require written form and/or REISSER's written confirmation to be effective.
4. Any legally relevant representations and notices to be made to REISSER by the customer after conclusion of a contract (incl. deadlines or grace periods, notices of defects, rescission of a contract or price reductions) must be made in writing to be effective.
5. References to statutory requirements are for clarification purposes only. Even without such references, legal regulations and statutory requirements generally apply without limitation unless they are expressly changed or excluded in these delivery and payment terms.

## II. Conclusion of a contract

1. REISSER's offers are without engagement. This provision also applies if REISSER provides the customer with catalogs, technical documentation or other product information and documents, which are subject to copyrights and other proprietary rights held by REISSER.
2. The placing of an order by the customer constitutes a binding offer to conclude a contract. Unless otherwise specified in the order, REISSER may accept the customer's contract offer within 4 weeks after receipt of the order.
3. Delivery contracts only enter into force upon written acceptance or shipment of the goods at the latest. Acceptance shall be deemed given in writing if delivered by any means of telecommunication.
4. In the event REISSER uses a telecommunication or other electronic media service to conclude a contract, the customer hereby waives the right to appropriate, effective and accessible technical means for the detection and correction of typing errors, to the disclosure of the information specified in Art. 246, Sec. 3 EGBGB (German Introductory Act to the Civil Code) and to a confirmation of receipt of the order. Any electronically transmitted order shall not be deemed received until downloaded and opened by REISSER.

## III. Prices and terms of payment

1. All prices are quoted ex warehouse.
2. Any customs duties, fees, taxes and other public charges are borne by the customer. To the extent permitted by the German Packaging Ordinance (VerpackV), REISSER does not take back any transport or other packaging, which becomes property of the customer. This does not include pallets. Shipments of goods worth more than EUR 1,000 (net) are delivered carriage paid to receiving site and at no extra packing charge within Germany. Shipments of goods worth less than EUR 100 (net) are subject to a minimum quantity surcharge of EUR 25 (net) per shipment.
3. Unless agreed otherwise, payment terms are always 20 days net without deductions. Any contractor or service invoices are payable immediately without deductions. Should a contract have a merchandise value of more than EUR 5,000, REISSER may demand a down payment of 30 % of the purchase price. The down payment is payable within 20 calendar days of the invoice date.
4. Regardless of the means of payment, payment shall be deemed received on the date REISSER can dispose of the amount due.
5. The customer shall be deemed to have defaulted (within the meaning of Section 286 BGB) on the agreed payment once the payment term specified in paragraph 3 expires. In the event of default, the customer will be charged late-payment interest (default interest, Section 288 BGB) on the purchase price at the statutory rate. REISSER reserves the right to make additional claims for losses caused by default. Without prejudice to the above provisions, REISSER

may claim commercial maturity interest within the meaning of Section 353 of the German Commercial Code (HGB) if the customer is a businessperson (Secs. 1 et seq. HGB).

6. The customer may only claim a set-off or exercise its right of retention to the extent that its claim is uncontested or has become res judicata. Nothing in these terms shall exclude any opposing rights the customer may have in the event of defective deliveries.
7. Should it become apparent after conclusion of the contract that REISSER's claim to the purchase price is jeopardized by the customer's inability to perform (e.g. the customer files for bankruptcy), REISSER may refuse performance and - after setting a reasonable grace period - rescind the contract in accordance with statutory requirements (Section 321 BGB). Without prejudice to the statutory requirements for the immediate rescission of a contract, REISSER may rescind a contract for the production of unmarketable items (products made to specification) with immediate effect.
8. Provided there are already outstanding claims for payment under the ongoing business relationship with the customer, REISSER may refuse further deliveries until the customer has settled all claims in full. The above provision applies mutatis mutandis to any credit lines granted by REISSER.
9. If the customer fails to pay the outstanding purchase price even though payment is overdue, this failure will be reported to the credit agencies cooperating with REISSER in accordance with Section 28a of the German Federal Data Protection Act (BDSG).

## IV. Retention of title

1. REISSER will retain legal ownership of the goods sold until full payment is received for all present and future claims arising out of the corresponding sales contracts and the current business transaction ("secured claims" in the following).
2. Any goods subject to retention of title may not be pledged or offered as security to third parties by the customer until all secured claims have been paid in full. The customer shall notify REISSER immediately of any attempt by third parties to seize such goods.
3. Any breach of contract on the part of the customer including, without limitation, non-payment of the payable purchase price, shall entitle REISSER to rescind the contract in compliance with statutory requirements and demand the return of the goods sold on the basis of the retention of title and REISSER's rescission of the contract. If the customer fails to pay the payable purchase price, REISSER may only exercise the aforementioned rights after having set a reasonable grace period, unless such a grace period can be dispensed with in accordance with statutory requirements.
4. The customer may resell and/or process the goods subject to retention of title in the ordinary course of business. In this case, the following supplementary provisions apply.
  - a) REISSER retains title to the goods supplied even though they have been processed, blended or combined in such a way that they now form part of or are converted into a new product, whereby REISSER shall be considered as manufacturer. In case proprietary rights of third parties continue after such processing, blending or combination, REISSER acquires joint title to the new product in proportion to the invoice values of the processed, blended or combined goods. In all other respects, the same provisions that apply to the goods delivered subject to retention of title shall also apply to the new product.
  - b) Any claims against third parties arising out of the resale of REISSER's goods or the newly created product shall be considered assigned to REISSER by the customer by way of security either in full or in proportion to the value of REISSER's joint title as specified in the provisions above. REISSER hereby accepts the assignment. The contractual obligations of the customer contained in paragraph 2 shall also apply with respect to the assigned claims.
  - c) The customer remains entitled to collect claims from resales. REISSER shall not collect such claims provided the customer continues to make the agreed payments to REISSER within the agreed terms, no petition for insolvency proceedings has been filed and the customer remains capable of meeting its contractual obligations. Should the customer fail to meet the above requirements, REISSER may demand that the customer disclose the assigned claims and the corresponding debtors as well as all information necessary to collect such claims, deliver all necessary documents and notify the debtors (third parties) concerned of the assignment.
  - d) In the event the realizable value of these securities exceeds REISSER's claims by more than 10 %, REISSER shall, at the request of the customer, release securities. REISSER may choose the securities to be released at its own discretion.

## V. Delivery periods, delivery dates, acts of God and delays indelivery

1. Delivery and/or performance periods and delivery and/or performance dates are agreed individually and/or specified by REISSER upon acceptance of the order.
2. All technical questions have to be resolved before commencement of the individually agreed or specified delivery or performance periods. When manufacturing goods or sourcing special items, the delivered quantities may deviate by up to 10 % from the quantities ordered.
3. REISSER's observation of the delivery or performance periods is further subject to the customer's due and timely compliance with all contractual obligations. REISSER reserves the right to refuse performance in accordance with Section 320 BGB if the customer fails to render the agreed consideration.
4. REISSER shall give the customer prompt written notice in the event of delays to, improper performance or non-performance of deliveries or other obligations on the part of sub-suppliers or subcontractors, despite appropriate congruent hedging transactions, due to circumstances beyond REISSER's reasonable control or in the event of acts of God, i.e. obstacles to performance occurring without REISSER's fault or negligence and lasting more than 14 calendar days. In this case, REISSER may delay performance of the delivery or other obligation by a period of time equal to the duration of the obstacle to performance or rescind the contract in whole or in part on the basis of the unfulfilled part of the contract, provided the above information requirement has been met and REISSER has not assumed the procurement and/or production risk and the obstacle to performance is not temporary. Within the meaning of the above provisions, the following circumstances shall be deemed equivalent to acts of God to the extent these circumstances are beyond REISSER's reasonable control and occur without REISSER's fault or negligence: strike, lockout, government intervention, energy and raw material shortages, delivery bottlenecks, business interruptions (e.g. through fire, water and machine failure) and all other interruptions occurring without REISSER's fault or negligence.
5. In the event a binding delivery and/or performance period and/or date has been agreed and is exceeded by more than three months due to the circumstances described in section 4 or the continuation of the contract would pose an unreasonable hardship on the customer in the event of a non-binding performance date, the customer may rescind the contract on the basis of the unfulfilled part of the contract.
6. Commencement of default on delivery within the meaning of Secs. 286 et seq. BGB on the part of REISSER is subject to statutory requirements. Notwithstanding the above provision, a reminder by the customer is required for the commencement of default. In the event REISSER defaults on a delivery, the customer may claim a fixed compensation amount for the damage caused by the default. This compensation amounts to 0.5 % of the net purchase price for every full calendar week REISSER is in default, but no more than 5 % of the net purchase price of the delayed goods. Any further claims of the customer to the payment of compensation for damages caused by default are hereby excluded. REISSER reserves the right to establish that the customer did not incur any or significantly less damage than the amount covered by the compensation specified above.
7. Nothing in these delivery and payment terms is intended to limit or exclude the rights of the customer set forth in Section IX below and REISSER's legal rights including, without limitation, the exclusion of contractual obligations (e.g. due to impossibility of performance, unreasonable hardship and/or provision of a remedy).

## VI. Delivery, transfer of risk, delays in acceptance

1. Delivery is effected ex warehouse, which is also the place of performance. Upon request and at the expense of the customer, the goods can be shipped to a different destination (sales shipment, Section 447 BGB). Unless agreed otherwise, REISSER may choose the method of shipping (including, without limitation, carrier, shipping route and packing).
2. REISSER may perform partial deliveries, provided this does not have any negative consequences for the customer.
3. REISSER reserves the right to deliver consumables in commercially standardized quantities, i.e. short or excess deliveries, provided these deliveries remain within reasonable bounds and do not conflict with the customer's interests.
4. The risk of accidental loss of or accidental damage to the goods passes to the customer when the goods are delivered to the customer. In case of a sales shipment, the risk of accidental loss of or accidental damage to the goods as well as the risk of delay already pass to the customer upon delivery of the goods to the forwarder, carrier or other third party authorized to collect the goods. Failure to accept the goods delivery (default of acceptance, Sec. 293 BGB) shall constitute delivery of the goods.
5. In case the customer is in default of acceptance, fails to cooperate or is otherwise responsible for delaying REISSER's delivery, REISSER may claim compensation for the damage incurred including any additional expenses (such as storage costs). Should the customer return correctly delivered goods with our consent, a 10 % processing fee, but no less than EUR 25, is deducted from the credit note. Both the shipment and return shipment are effected at the expense and risk of the customer.

## VII. Industrial property rights, provision of documents

1. The customer shall inform REISSER without delay of any property right claims of third parties pertaining to the products delivered by REISSER. REISSER may, but is not obliged to, defend these rights at its own cost and for its own benefit.
2. The customer warrants that any accompanying goods, services and documentation provided by the customer are free of third-party rights. The customer shall indemnify REISSER against any claims of third parties arising out of the infringement of third-party rights, unless the customer cannot be held responsible for this legal defect.
3. By providing documents to REISSER, the customer grants REISSER the worldwide, non-exclusive and perpetual right to use these documents for the contractually agreed purposes. In the event of product inquiries based on documents provided by the customer such as drawings and specifications (parts made to order), REISSER may provide these documents to upstream manufacturing companies to complete the inquiry process and perform the contract through sub-suppliers. Should the customer demand changes to the specifications or additional specifications when inquiring about parts made to order without making these changed or additional specifications or drawings available to REISSER, REISSER may change or amend the existing drawings or specifications accordingly.

## VIII. Claims for defects of the customer

1. Unless otherwise provided below, the rights of the customer in the event of material and/or legal defects are subject to statutory requirements.
2. The legal basis for any liability for defects on the part of REISSER shall be the agreement made concerning the quality of the goods. Agreements on the quality of the goods include all product descriptions and specifications which have either been agreed on by REISSER and the customer on the basis of the corresponding standards (e.g. DIN, ISO) or been provided to REISSER by the customer and expressly approved by REISSER.
3. Any claim made by the customer based on any defect in the quality or condition of the goods is subject to the customer having fulfilled its legal obligations to examine the goods upon delivery and notify REISSER of any defects (sections 377, 381 HGB). Any defect discovered during examination or later shall be notified to REISSER in writing without delay. Such notice shall be deemed given without delay if delivered or mailed within two weeks. Without prejudice to the above examination and notification obligations, the customer shall inform us in writing of any obvious defects (including wrong and short shipments) by mailing a corresponding notice within two weeks after delivery. In the event the customer fails to duly observe these examination and/or notification obligations, REISSER will not accept liability for any defects which have not been reported.
4. Should the goods delivered be defective, REISSER reserves the right to choose an appropriate remedy either by repairing the defect (rectification) or providing goods free of defects (replacement). However, nothing in these delivery and payment terms is intended to limit or exclude REISSER's right to refuse the provision of a remedy in accordance with statutory requirements.
5. REISSER may make the provision of the remedy owed to the customer dependent on whether the customer pays the payable purchase price. The customer may, however, withhold a reasonable proportion of the purchase price.
6. The customer shall grant REISSER a reasonable grace period and the opportunity to provide the required remedy, including, without limitation, returning the defective goods to REISSER for examination purposes. In the event of replacement, the customer shall return the defective goods to REISSER in accordance with statutory requirements. Any remedy provided by REISSER does not include the removal nor the reinstallation of the defective goods unless the installation was originally carried out by REISSER.
7. In the event the goods are defective, all costs incurred during the examination of the goods and the provision of a remedy, including, without limitation, transport, travel, work and material costs (not removal or installation costs), shall be borne by REISSER. Should the claim of the customer turn out to be unjustified, REISSER may demand reimbursement of all costs incurred in connection with the customer's claim.
8. In the event REISSER fails to remedy a defect or a reasonable grace period set by the customer expires without any results or can be dispensed with in accordance with statutory requirements, the customer may rescind the contract or reduce the purchase price. The customer has no right to rescind the contract if the defect is immaterial.
9. Except as expressly provided in Section IX, any claims of the customer for damages and/or for reimbursement of futile expenses are hereby excluded.

## IX. Other liability

1. Unless otherwise specified in these delivery and payment terms including the following provisions, REISSER shall be liable for all breaches of contractual or non-contractual obligations in accordance with statutory requirements.
2. Nothing in these terms shall exclude or limit REISSER's liability for claims for damages based on willfulness or gross negligence howsoever arising. In the event of ordinary negligence, REISSER shall only be liable for
  - a) damage resulting from injury to life, body or health.
  - b) damage resulting from material breaches of contract (failure to perform contractual duties which are essential for the due performance of the contract and whose performance the other contracting party does and may generally trust in); in this case, REISSER's liability shall be limited to the reasonably foreseeable damage typical for this type of contract.
3. Notwithstanding the provisions in paragraph 2, nothing in these terms shall exclude or in any way limit REISSER's liability for fraudulent concealment of defects or for any warranties or representations made by REISSER as to the nature or quality of the goods. The same applies to claims of the customer made on the basis of the German Product Liability Act (ProdHaftG).
4. In the event of a breach of contractual obligations not resulting from a defect, the customer may only rescind or terminate the contract if REISSER is responsible for this breach. The right of the customer to terminate the contract at any time (including, but not limited to, the rights granted in sections 651 and 649 BGB) is hereby excluded. In all other respects, the statutory provisions apply.

## X. Limitation periods

The statutory limitation periods contained in the German sale of goods laws shall also apply to all contractual and non-contractual claims for damages made by the customer based on defective goods, unless the applicable legal provisions require shorter limitation periods in individual cases (sections 195, 199 BGB). Irrespective of the above provisions, nothing in this agreement is intended to limit or exclude the limitation periods for claims under the German Product Liability Act. In all other respects, any claims made by the customer for damages under Section IX are subject to the applicable statutory limitation periods.

## XI. Hydrogen embrittlement

1. REISSER and the customer are aware of the numerous possible causes and problems of hydrogen-induced cracking, particularly in galvanized, high-strength and/or case-hardened items with an ultimate tensile strength of 1000 N/mm<sup>2</sup> or more and core or surface hardnesses of 320 HV or more, as specified in DIN EN ISO 4042. REISSER cannot guarantee the complete elimination of hydrogen embrittlement risks.
2. In the event the risk of hydrogen embrittlement in the goods delivered by REISSER needs to be reduced even further in special individual applications due to construction requirements or for safety reasons, the customer and REISSER shall conclude a separate agreement on the process structure and material procurement to limit the above-mentioned risks.
3. The DIN EN ISO 4042 standard is an integral part of all agreements concluded between REISSER and the customer.

## XII. Applicable law and place of jurisdiction

1. These business transactions and all legal relationships between REISSER and the customer are subject to the laws of the Federal Republic of Germany under exclusion of all international and supranational (contractual) legal systems including, without limitation, the UN Convention on Contracts for the International Sale of Goods. The legal requirements and effects of the retention of title clause under Section IV are subject to the laws applicable at the location of the goods to the extent the laws of the Federal Republic of Germany are invalid or ineffective.
2. The place of jurisdiction for all disputes arising out of or in connection with the contractual relationship between the parties, including any disputes related to the effective conclusion thereof, shall be the courts of law responsible for 74653 Ingelfingen-Criesbach, Germany, provided the Supplier is a businessperson within the meaning of Sections 1 et seq. of the German Commercial Code (HGB), a public law entity or a special fund under public law. REISSER does, however, reserve the right to also bring its claims against the supplier at the place of performance agreed for deliveries.

REISSER-Schraubentechnik GmbH  
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