

GENERAL TERMS AND CONDITIONS OF CARL WARRLICH GMBH

I. Scope of application

Our offers, confirmations of orders, deliveries and services shall exclusively be subject to the following terms and conditions of business in their respective authorized version at the time of placing the order. Terms and conditions deviating from our General Terms and Conditions will not become effective, unless they are expressly approved by us. Our Terms and Conditions shall also apply to any business that will be transacted later within an existing business relationship without explicit confirmation of or reference to this fact.

II. Contracting party/conclusion of contract

(1) The presentation in our catalogue does not constitute a legally binding offer. If we make an offer, this will be valid for a period of 6 weeks as from the date of offer, unless a deviating validity period is stated in the respective offer.

(2) On ordering, the customer submits a binding offer to

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which will become contracting party on conclusion of a contract of purchase.

(3) The contract of purchase will be entered into, if we confirm the order in writing, if we dispatch the goods or – in case of a previous offer submitted by us – by ordering within the validity period of the offer. An automated e-mail or other communication which only confirms the receipt of your order does not yet constitute an acceptance of such order.

(4) Oral subsidiary agreements and changes of contracts or of these conditions of contract with us or our representatives require to be confirmed in writing by the management in order to become effective.

III. Prices

(1) All prices are quoted net, exclusive of packaging, value-added tax, costs of delivery and insurance ex works. Unless otherwise agreed by contract, the prices are stated in Euro (€).

(2) If the period between conclusion of contract and the agreed date of delivery or the day of delivery specified by the customer amounts to more than four months, we reserve the right to increase the agreed purchase price in accordance with the changes in costs that have occurred until delivery. In case of an increase of more than 5 % of the agreed purchase price, the customer shall be entitled to withdraw from this contract.

IV. General supply contract

If we enter into contracts with customers concerning the repeated delivery of a specified or unspecified quantity of goods, irrespective of whether a specified or unspecified term of maturity has been agreed, the General Terms and Conditions shall apply as well as the following provisions:

(1) The prices agreed on conclusion of contract shall have a validity period of 1 year, unless we individually agree another validity period with the customer in writing.

(2) The prices agreed with the customer are net prices ex works and have to be paid plus the statutory sales tax to the amount of the tax rate applicable at the date when the tax arises.

(3) If there is an increase in the costs of raw materials or costs of transportation or an increase of public taxes and dues to be paid by us with regard to deliveries abroad that are applicable on conclusion of the respective contract, we will be entitled to increase our prices in proportion to the change of our overall costs resulting from this change in costs. In such a case we shall be obliged to disclose our original calculation of costs as well as the increase in costs at request of the customer in writing. Should prices increase by more than 10 %, the customer shall be entitled to terminate the contract without complying with any period of notice.

V. Payment, maturity, deterioration of creditworthiness

(1) Payment of goods shall be effected either by payment in advance or by invoice in accordance with our requirements. In case of advance payment, the customer commits him/herself to paying the purchase price immediately after conclusion of contract. In case of payment by invoice, the invoices drawn up by us will immediately be due and payable, unless otherwise agreed by contract.

(2) In case of international supply of goods, payment may be effected by documentary letter of credit in accordance with our requirements. In such a case, the customer shall be obliged to provide us with an irrevocably documentary credit of his/her bank. Otherwise, the Uniform Customs and Practices for Documentary Letter of Credits ERA600 issued by the International Chamber of Commerce (ICC) shall apply.

(3) If a customer is in default of payment, we shall be entitled to charge interest for arrears. The annual rate of interest for arrears amounts to eight percentage points above the base lending rate.

(4) If circumstances arise after conclusion of contract owing to which the financial situation of the customer deteriorates or which impair the customer's creditworthiness, any accounts receivable from the customer shall then at once become due and payable. Such circumstances shall also entitle us to render still outstanding deliveries only against provision of security by the customer and to withdraw from contracts that have not yet been fulfilled after an appropriate period of grace and to claim for damages due to non-performance.

VI. Offsetting, retention

The customer shall only be entitled to offsetting if his/her counterclaims have been established in a legally binding manner or if they are uncontested. Furthermore, the customer shall only be entitled to exercise retention as far as his/her counterclaim results from the same contractual relationship.

VII. Terms of delivery

(1) Terms of delivery shall begin on dispatch of the order confirmation, but not before the customer has presented documents, approvals and releases he/she might have to obtain nor prior to the details of execution and, if appropriate, not prior to the receipt of an agreed down payment, either.

(2) If delivery against advance payment has been agreed, the terms of delivery shall begin on payment of the purchase price into our account.

(3) If force majeure, strikes, official or other unforeseeable circumstances which are independent of our own will and for which we are not liable delay, interrupt or make the production, delivery and transportation of the purchased products impossible, we will be entitled to postpone the delivery by the duration of such disruption and by an appropriate start-up period or, if we are not able to remedy such disruption within reasonable time and with reasonable effort to withdraw from the obligation to deliver in whole or in part without entitling the customer to claim for damages. The same shall apply if deliveries by sub-suppliers necessary for the discharge of our obligations are cancelled.

(4) We shall be entitled to partial deliveries to an extent reasonable for the customer.

(5) Claims for damages against us owing to default in delivery shall be excluded, unless we or our vicarious agents are guilty of intention or gross negligence. Should we be liable in case of ordinary negligence owing to special circumstances, our liability will be restricted to default damages for each full week of delay to the amount of 0.5 % of the value of that part of the delivery which is still outstanding. Irrespective of the duration of default, the maximum compensation will amount to 5 % of the value of goods. This shall also apply in case of claims for damages due to non-performance resulting from ordinary negligence. Without prejudice to the above provisions, the customer shall be entitled to withdraw from the contract

after granting an appropriate respite in case of a default for which we are responsible.

VIII. Nature of goods

(1) Unless otherwise agreed, the documents belonging to our offer (illustrations, drawings, specifications of weights and measures) include only approximate values and are therefore only binding within the scope of permissible tolerances. The same shall apply to display articles and illustrations in the catalogue.

(2) The weight (basis weight) of our products strongly depends on the respective environmental influences, particularly on temperature, terms of transport and storage. Our declarations of weight, particularly in catalogues, offers and on packages refer to the fresh weight immediately after production. Deviations of up to 8 % between the fresh weight and the weight on receipt of goods do not constitute a defect and are in compliance with the contractual nature of the product. Warranty shall not be provided for deviations to the extent mentioned above.

IX. Liability for defects and compensatory damages for defects

(1) The warranty period for obvious and hidden defects shall be one year.

(2) Immediately after receipt of our goods it has to be examined whether they have been produced as per agreement and free from defects. Deviations and defects have to be reported to us in writing immediately after receipt of the goods and within seven working days after receipt at the latest. The deadline shall be deemed as having been met if notification has been sent off in due time. In case that a notice of defects is not forwarded, any claims for material deficiency and damages will be forfeited, unless a hidden defect remains undiscovered which could not be detected in spite of a careful inspection.

(3) If the notice of defect is justified, we will at our own choice be liable for removing the defect or for substitute delivery. Two attempts of subsequent performance shall be admitted. If subsequent performance fails, however, and we do not deliver a substitute, the customer shall be entitled to withdraw from the contract or to demand deduction from the price (reduction of the purchase price). The customer will on no account be entitled to claim for damages and this shall in particular apply to consequential loss from defects in case of deficient delivery. Any provisions to the contrary shall only apply if we have expressly promised the customer in writing by respective warranty that such defects or damages will not occur or if we or our vicarious agents can be accused of intention or gross negligence.

(4) If we deliver a product free from defects for the purpose of subsequent performance, we may request the customer to return the deficient product in accordance with §§ 346 to 348 BGB (Civil Code).

X. Reservation of ownership

(1) The goods delivered by us will be subject to reservation of ownership until the purchase price or the price ex works has been paid in full, including any accessory claims and in case of repeated or continuous business relationship until redemption of the total debt balance. Cheques, bills of exchange and cessions shall only be deemed as payment on cash-in.

(2) The customer shall be entitled to sell the delivered products in the ordinary course of business subject to his common terms and conditions. For such a case, the customer hereby assigns to us all claims and security rights arising out of such resale towards his clients or third parties.

(3) The customer shall only be entitled to resell our goods within the ordinary course of business and only as long as he/she fulfils his/her payment obligations towards us.

(4) If the value of the claims including accessory rights and securities assigned to us in advance exceeds our unsettled claims towards the customers by more than 20 %, we commit ourselves to reassignment with regard to the exceeding part of the claim at request of the customer.

XI. Transfer of risk

According to § 447 BGB, the risk of deterioration, of accidental loss and of shipment is transferred to the customer as soon as the delivery item has left our business premises or storage rooms. This arrangement shall also apply if the agreed delivery is free domicile. If shipment is delayed for reasons for which we are not responsible, the risk will already be transferred to the customer on notification of our readiness to deliver.

XII. General limitation of liability

Apart from liability for compliance with delivery deadlines and for non-defective goods arising from contracts of sale and service contracts, we shall only be liable if we, i.e. our legal representatives or our vicarious agents can be accused of intention or gross negligence, for example with regard to negligence in contracting, to positive breach of an obligation or to an unlawful act. We will not be liable in cases of light negligence. This exemption from liability shall not apply, however, in the event of injury of life, body or health.

XIII. Data protection

(1) It is very important to us to protect your personal data when you visit our homepage. Your data will be protected within the scope of statutory requirements.

(2) Personal data will only be collected if you provide us with them of your own accord, for example within the framework of an inquiry or on registration.

(3) As far as you have provided us with personal data, we will only use them for answering your inquiries, for the execution of the orders entered into with you and for technical administration.

(4) Your personal data will only be disclosed or otherwise transferred to third parties if this is necessary for the purpose of contract implementation – such as, for example, disclosure of ordering data to suppliers – or if this is required for accounting purposes or if you have consented to this in advance. You are entitled to revoke any consent you may have given any time with effect for the future.

(5) The stored personal data will be deleted if you revoke your consent to the storing of these data, if they are no longer needed for serving the initial purpose of recording or if saving them is impermissible for any other legal reason.

XIV. Place of performance and place of jurisdiction, applicable law, partial invalidity

(1) The contractual relationship shall exclusively be governed by German law. Applicability of the United Nations Conventions on Contracts for the International Sale of Goods shall expressly be excluded.

(2) The exclusive place of jurisdiction for deliveries and payments (including actions on cheques and bills of exchange) as well as for any other disputes arising from this contract shall - depending on the value in dispute - be the district court of Eisenach or the regional court of Meiningen, provided that the customer is a registered trader or a legal entity under public law or public special assets.

(3) Place of performance for all obligations resulting from this contract is our place of business.

(4) Should individual provisions be or become void, invalid or contestable, this shall not affect the remaining provisions which will then have to be interpreted or supplemented in such a way that the intended commercial purpose is achieved as precisely as possible in a legally admissible way. This shall also apply to sections that might be in need of completion.

As per: January 2013