CONDITIONS OF SALE Wilhelm Herm. Müller GmbH & Co. KG



I. Validity / Offers

- These General Terms and Conditions of Sale shall apply to all including future contracts with entrepreneurs, legal entities under public law and special funds under public law for deliveries and other services. We shall not be bound by the Buyer's terms and conditions of purchase even if we do not expressly object to them again after receipt by us.
- 2. Our offers are subject to change without notice. Agreements, in particular verbal collateral agreements, promises, guarantees and other assurances of our sales employees, shall only become binding upon our written confirmation. The written form shall also be deemed to have been complied with by transmission by telefax or e-mail.
- The INCOTERMS in their latest version shall be decisive for the interpretation of trade clauses such as "EXW", "FOB" and "CIF".

II. prices

- 1. Unless otherwise agreed, our prices are quoted ex works excluding packaging, plus value added tax in each case.
- 2. If the goods are delivered packaged, we shall invoice the packaging at cost price; within the framework of the statutory provisions, we shall take back packaging delivered by us if it is returned to us carriage paid by the purchaser within a reasonable period of time.

III. payment and offsetting

- Payment shall be made without deduction of cash discount in such a way that we can dispose of the amount on the due date. Unless otherwise agreed, our invoices are due 14 days after the invoice date. Payment must be made in such a way that the amount required for settlement of the invoice is available to us at the latest on the due date. The buyer shall be in default at the latest 10 days after the due date of our claim, without the need for a reminder.
- Discount periods granted commence from the invoice date. An agreed discount always refers only to the invoice value excluding freight and presupposes the complete settlement of all due liabilities of the buyer at the time of the discount.
- Invoices for amounts below EUR 50.00 as well as for assembly, repairs, moulds and tooling costs are due immediately and payable net.
- Counterclaims disputed by us or not legally established entitle the buyer neither to withhold nor to offset.
- 5. If the term of payment is exceeded, at the latest from the date of default, we shall be entitled to charge interest in the amount of the respective bank rates for overdraft facilities, but at least the statutory default interest. We reserve the right to assert further claims for damages caused by default.
- 6. If, after conclusion of the contract, it becomes apparent that our payment claim is endangered by the buyer's lack of ability to pay or if other circumstances arise which indicate a significant deterioration in the buyer's ability to pay, we may refuse agreed advance performance and exercise our rights under § 321 BGB (German Civil Code). In such cases, we may also demand payment of all claims from the current business relationship with the purchaser which are not yet statute-barred. The Buyer's inability to pay shall also be deemed to be insufficient if the Buyer is at least three weeks in arrears with payment of a substantial amount (from 10% of the due claims), furthermore his considerable downgrading with a trade credit insurance.

IV. Delivery times

- Delivery periods and dates shall be deemed to have been met if the delivery item has left our premises by the time they expire.
- Our delivery obligation is subject to correct and timely self-delivery, unless we are responsible for incorrect or delayed self-delivery.
- 3. Events of force majeure entitle us to postpone deliveries for the duration of the hindrance and a reasonable start-up period. This shall also apply if such events occur during an existing delay. Force majeure shall be deemed to include currency, trade policy and other sovereign measures, strikes, lock-outs, operational disruptions for which we are not responsible, obstruction of traffic routes, delays in import / customs clearance, as well as all other circumstances which, through no fault of our own, make deliveries and services substantially more difficult or impossible. It is irrelevant whether the circumstances occur with us, the supplier or another sub-supplier. If as a result of the aforementioned events the performance becomes unreasonable for one of the contracting parties, it may withdraw from the contract by immediate written declaration.

V. Retention of title

- All delivered goods shall remain our property (reserved goods) until all claims arising from the business relationship have been settled, irrespective of the legal basis, including claims arising in the future or conditional claims.
- 2. Processing of the goods subject to retention of title shall be carried out for us as manufacturer within the meaning of § 950 BGB (German Civil Code) without any obligation on our part. The processed goods shall be deemed goods subject to retention of title within the meaning of Clause V/1. If the Buyer processes, combines or mixes the goods subject to retention of title with other goods, we shall be entitled to co-ownership of the new item in the ratio of the invoice value of the goods subject to retention of title to the invoice value of the goods subject to retention of title to the invoice value of the goods subject to retention of title to the invoice value of the goods subject to retention of title to the new item in the ratio of the invoice value of the goods subject to retention of title to the new stock or item to the extent of the invoice value of the goods subject to retention of title and shall keep them in safe custody for us free of charge. The resulting co-ownership rights shall be regarded as reserved goods within the meaning of Clause V/1.

- 3. The buyer may only sell the reserved goods in the ordinary course of business at his normal terms and conditions and as long as he is not in default, provided that the claims from the resale are transferred to us in accordance with Sections V/4 to V/6. He shall not be entitled to dispose of the reserved goods in any other way.
- 4. The purchaser's claims arising from the resale of the reserved goods are hereby assigned to us. They serve as security to the same extent as the reserved goods. If the reserved goods are sold by the purchaser together with other goods not sold by us, the assignment of the claim from the resale shall only apply to the amount of the resale value of the reserved goods sold in each case. In the event of the sale of goods in which we have co-ownership shares pursuant to Clause V/2, the assignment of the claim shall apply to the amount of such co-ownership shares.
- 5. The purchaser is entitled to collect claims from the resale until revoked by us, which is permissible at any time. If the buyer is in default of payment, we shall also be entitled to demand the return of the goods after expiry of a reasonable period of grace and to prohibit the resale and further processing of the delivered goods. Taking back the goods does not constitute withdrawal from the contract. At our request, the purchaser is obliged to inform his customers immediately of the assignment to us unless we do so ourselves and to provide us with the information and documents required for collection.
- The purchaser must inform us immediately of any seizure or other impairment by third parties.
- If the value of existing securities exceeds the secured claims by more than 50% in total, we shall be obliged to release securities of our choice at the buyer's request.

VI. execution of deliveries

- 1. With the handover of the goods to a forwarding agent or carrier, at the latest however with leaving the warehouse or - in the case of drop shipments - the supplying plant, the risk passes to the buyer in all transactions, also in the case of "carriage paid" and "carriage paid" deliveries. Duty and costs of unloading shall be borne by the buyer. We shall only provide insurance at the buyer's instruction and expense.
- We are entitled to make partial deliveries to a reasonable extent. In the case of manufactured goods, excess and short deliveries of up to 10% of the agreed quantity are permissible.
- 3. In the case of call-off orders, we shall be entitled to manufacture or have manufactured the entire order quantity in a closed system. Any requests for changes can no longer be considered after the order has been placed, unless this has been expressly agreed. Unless firm agreements have been made, call-off dates and quantities can only be met within the scope of our delivery or manufacturing capabilities. If the goods are not called off in accordance with the contract, we shall be entitled to invoice them as delivered after a reasonable period of grace has elapsed.
- 4. In the case of contracts with continuous deliveries, we are to be given call-offs and classifications for approximately equal monthly quantities. If the goods are not called off or divided up on time, we shall be entitled, after setting a grace period without result, to divide them up ourselves and deliver the goods or to withdraw from the part of the contract still outstanding and demand damages instead of performance. At the end of the contract, our stock must be accepted.

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VII. Liability for Defects

- 1. The internal and external properties of the goods, in particular their quality, type and dimensions, shall be determined in accordance with the agreed standards, in the absence of an agreement in accordance with the DIN and EN standards applicable at the time of conclusion of the contract, in the absence of such standards in accordance with custom and practice. References to standards and similar regulations as well as information on qualities, types, dimensions, weights and usability of the goods, information in drawings and illustrations as well as statements in advertising material shall not constitute assurances or guarantees unless they are expressly designated as such in writing. The same applies to declarations of conformity and corresponding markings such as CE or GS. Suitability and use risks are incumbent on the buyer.
- 2. If the goods are defective, the purchaser shall be entitled to the rights to remedy defects in accordance with the statutory provisions of the German Civil Code, subject to the restrictions that we shall be entitled to choose between subsequent improvement and subsequent performance and that minor (insignificant) defects shall only entitle the purchaser to reduce the purchase price.
- 3. The provisions of the German Commercial Code (HGB) shall apply to the inspection of the goods and the notification of defects with the following proviso: Defects in the goods shall be notified in writing immediately, at the latest five days after delivery. Defects which cannot be discovered within this period, even with the most careful inspection, must be reported in writing immediately, at the latest within five days after discovery.
- 4. We shall only assume expenses in connection with subsequent performance if they are reasonable in the individual case, in particular in relation to the purchase price of the goods, but in no case more than 150 % of the value of the goods. Excluded are costs of the buyer in connection with the installation and/or removal of the defective item, sorting costs, costs for the self-remedy of a defect as well as additional expenses arising from the fact that the sold and delivered goods are located at a place of performance other than the agreed place of performance.
- 5. As long as the buyer does not give us the opportunity to convince ourselves of the defect, in particular if he does not provide the goods complained of or samples thereof upon request, he cannot invoke defects in the goods.
- Further claims are excluded in accordance with Clause VIII. This shall apply in particular to claims for compensation for damage not caused to the goods themselves (consequential damage).
- An unjustified demand for remedy of defects shall entitle us to damages if the buyer could have recognized that no material defect existed by the most careful examination.

VIII. General limitation of liability and statute of limitations

- We shall only be liable for breach of contractual and non-contractual obligations, in particular for impossibility of performance, default, consulting fault, culpa in contrahendo and tort - also for our executive employees and other vicarious agents - in cases of intent and gross negligence, limited to the typical contractual damage foreseeable at the time the contract was concluded.
- 2. The restrictions in Clause VIII/1 shall not apply in the event of culpable infringement of essential contractual obligations. Essential to the contract are the obligation to deliver on time and the freedom of the goods from defects which more than insignificantly impair their operability or fitness for use, as well as obligations to provide advice, protection and care which are intended to protect the purchaser or his personnel from considerable damage. Furthermore, the limitations shall not apply in cases of mandatory liability under the Product Liability Act, in cases of injury to life, limb or health and even if and to the extent that we fraudulently concealed defects or guaranteed their absence. The rules on the burden of proof shall remain unaffected by this.
- 3. Unless otherwise agreed, contractual claims against us arising from or in connection with the delivery of the goods shall become statute-barred one year after delivery of the goods. This period shall also apply to such goods which have been used for a building in accordance with their normal use and which have caused its defectiveness, unless this use has been agreed in writing. The statutory limitation period for our liability arising from intentional and grossly negligent breaches of duty, culpably caused damage to life, body and health as well as the limitation period for statutory recourse claims shall remain unaffected. In the event of defective subsequent performance, the limitation period shall not recommence.

IX. Copyrights

- We reserve the right of ownership and copyright to cost estimates, drafts, drawings and other documents; they may only be made accessible to third parties in agreement with us. Drawings and other documents belonging to offers must be returned on request.
- 2. Insofar as we have delivered items in accordance with drawings, models, samples or other documents provided by the purchaser, the latter shall guarantee that the industrial property rights of third parties are not infringed. If third parties prohibit us from manufacturing and supplying such objects with reference to industrial property rights, we shall be entitled without being obliged to examine the legal situation to discontinue any further activities and to demand compensation for damages in the event of fault on the part of the purchaser. In addition, the purchaser undertakes to indemnify us immediately against all claims of third parties in connection therewith.

X. Test parts, moulds, tools

- If the buyer has to provide parts for the execution of the order, they shall be delivered free production site with the agreed, otherwise with a reasonable additional quantity for any rejects, in time, free of charge and free of defects. If this does not occur, any costs and other consequences caused thereby shall be borne by the customer.
- The production of test parts including the costs for moulds and tools shall be borne by the purchaser.
- 3. For tools, moulds and other manufacturing equipment provided by the purchaser, our liability shall be limited to the same care as in our own case. Costs for maintenance and care shall be borne by the purchaser. Our storage obligation expires irrespective of the purchaser's property rights at the latest two years after the last production from the mould or tool.

XI. Place of Performance, Jurisdiction and Applicable Law

- 1. Place of performance for our deliveries is our company. The place of jurisdiction shall be the registered office of our head office. We can also sue the buyer at his place of jurisdiction.
- All legal relationships between us and the Buyer shall be governed by German law to the exclusion of the provisions of the United Nations Convention on Contracts for the International Sale of Goods of 11 April 1980.

XII. Authoritative version

In case of doubt, the German version of these General Conditions of Sale shall prevail.