

Terms and Conditions of Sale and Delivery

1. General

The following terms and conditions are part of the contract concluded with us. They apply to all legal transactions concluded in the context of commercial transactions by us. In their latest version, they also apply to all subsequent transactions without having to be explicitly mentioned or agreed at the conclusion.

We object to counter-confirmations, counter offers or other references to his terms and conditions by the buyer; any deviating conditions of the buyer only apply if this has been confirmed by us in writing.

The buyer may only assign claims arising from legal transactions concluded with us with our explicit consent. Deliveries and services shall be exclusively on the basis of the respective order confirmation, supplemented by the measurement sheets and data sheets to be approved by the customer, and the following terms and conditions.

Quotations are subject to change without notice. An order is only considered to be accepted if it is confirmed in writing by us. Any agreements deviating from the order confirmation or the agreements contained therein, agreed verbally by employees of our company, require our written confirmation. Details published by us in text or drawing form, such as in catalogues, descriptions, illustrations and drawings, measurement, weight and performance details, identify the characteristics of our products. They represent no assurance of characteristics or warranties.

We reserve the right to change the technical data and designs that serve technical progress.

2. Prices and Terms of Payment

Our prices are net prices plus VAT applicable at the time of delivery. Unless otherwise agreed in writing, they are quoted ex works or ex warehouse and do not include packaging, freight, postage or insurance.

The payments are due and payable to the Supplier within 30 days of the invoice date without any deductions and free of transaction charges, unless otherwise agreed in writing. Cheques or separately agreed bills of exchange are only considered to be payment upon their redemption.

If we learn that the buyer has suffered a substantial deterioration in his financial circumstances after issuing our order confirmation, we are entitled to demand our claims become due and payable immediately. We are also entitled to require any outstanding deliveries only be made on a prepaid basis, contrary to our order confirmation. The same applies to non-compliance with the terms of payment even if their non-compliance concerns other orders from the mutual business relationship.

With the exception of the performance refusal right under § 320 BGB (plea of unperformed contract), a right to refuse performance in business transactions with merchants is excluded. This does not apply to the right of retention to which the buyer is entitled, insofar as this is based on the same contractual relationship.

The buyer only has a right to set-off if his counter-claims have been established as final and absolute or were recognised by us.

3. Retention of title

Our deliveries are made exclusively under retention of title. The delivered goods remain our property until all the claims against the buyer from the mutual business relationship are settled in full. This also applies if the purchase price for certain deliveries of goods, designated by the customer, are paid. The buyer shall keep the goods in our ownership for us free of charge.

The buyer is obliged to store the goods correctly.

For current accounts, the retained title is the security for our balance claim. In the event of a default in payment by the buyer, the buyer must allow us to inventory his stock of any goods supplied by us and stored at the buyer's premises whenever this is requested.

If the buyer breaches the obligations contained in paragraph 3 and in the event of a default of payment, we are entitled to withdraw from the contract.

The buyer is entitled to resell the delivered goods during the course of normal business transactions. Pledging as collateral, transfer of ownership as security for a debt or another disposal is forbidden.

The handling and processing of the contract by the buyer is always in our name and on our behalf. Where said items are processed with other items which are not our property, we shall acquire co-ownership of the new item in the ratio of the value of the item provided by us to the other processed items at the time of their processing. The same applies if the product is mixed with other items not belonging to us.

If the buyer resells the goods supplied by us - irrespective of the condition - then he shall assign any demands against his clients resulting from the sale up to the amount of the value of the goods installed in the sold item along with all ancillary rights to us until all the demands resulting from the mutual business relationships are fully repaid. The buyer is authorised to collect these demands. Other assignments are not permitted. Collected proceeds must be paid to us without delay in the amount of the assignment as of the due date of said payments. The authorisation to resell and the collection of the demands may be revoked if the buyer is in default of payment or if the buyer suffers any other considerable deterioration in his financial situation or his creditworthiness. The collection authorisation expires in any case if the buyer requests the opening of insolvency proceedings over his assets or in the event an external application for the opening of insolvency proceedings is ordered by the Court. The buyer is obliged to notify the

recipient of the goods with retention of title of the assignment when requested, insofar as we do not notify them ourselves, and to provide us with the necessary information and documentation concerning the enforcement of our rights against the sub-customer. We are then entitled to collect the claim ourselves.

We are entitled to demand the surrender of our owned objects, if we become aware of circumstances, which endanger the fulfilment of our demand by the buyer. The buyer hereby agrees that the persons instructed by us to record and pick up the goods enter the premises on which the goods are located for this purpose.

At the request of the buyer, we are obliged to release the securities insofar as their achievable value exceeds our claims by more than 20%. We reserve the right to select which securities shall be released.

In the event of taking back product due to our retention of title, we are only obliged to grant a credit in the amount of the invoice value less any value reduction as well as the collection and removal costs, but at least 30% of the invoice value.

The buyer is obliged to inform us immediately of any threats to our property or any seizure that has occurred or any other impairments due to a third-party and to inform the enforcement officials that the item(s) is/are our property. He is liable for any damages from the failure due to an act of omission, as well as for any intervention costs.

4. Delivery time

The delivery shall take place within the confirmed calendar week, but not before complete clarification of all execution details (presentation of approved dimension and data sheets).

The agreed delivery period or the delivery time shall extend reasonably - without prejudice to our rights arising from default of the buyer - by the period of time by which the buyer is in default with his obligations arising from this or another concluded contract. It is also extended further in the event of unforeseen obstacles that are beyond our control, regardless whether these occurred at our premises or those of our suppliers, e.g. cases of force majeure, official measures and other non-culpable delays in the completion of supplied parts, business disruptions, proved rejections, delays in the delivery of essential parts and raw materials, insofar as such obstacles demonstrably have a considerable influence on the completion or delivery of the delivery item. Such obstacles are not considered to be our responsibility, even if they occur during an already existing delay.

Subsequent changes requested by the customer may result in an interruption of the delivery time, which commences again after notification of the desired change.

In the case of supply delays, the buyer can demand damages for every completed week of the delay in the amount of 0.5%/ week, provided he can prove that he has suffered damages as a result of this, but he may not demand more than 5% of the price for that part of the deliveries which could not expediently be taken into operation as a result of the delay. This does not apply, if, in cases of intent, gross negligence or damages to life, limb and health, liability is mandatory.

The buyer only may rescind the contract in the context of legal provisions, insofar as we are responsible for the delivery delay.

5. Transfer of risk

The risk is transferred upon handover of the goods to the haulage company or forwarding agent, however, upon leaving the works or warehouse at the latest. This applies as an exception even if carriage-paid delivery or free factory delivery was agreed. If the delivery is delayed by circumstances which are the responsibility of the customer, then the risk is already transferred to the customer upon issuance of the Shipping Advice Note.

6. Material defects and liability

In the event of the existence of defects, the buyer initially only has a claim to subsequent performance, which we provide at our discretion by remedying the defect or delivering a defect-free item. In the case of failure of subsequent performance, denial of the subsequent performance by us or unacceptability of supplementary performance (§ 440 BGB), the buyer is entitled to reduce the purchase price or to withdraw from the contract at his discretion provided the defect liability is not for a construction measure. In the event of a minor lack of conformity, especially for only minor defects, the buyer however has no right of withdrawal. The buyer must allow the necessary time and opportunity to carry out the subsequent performance free of charge. All repairs are carried out only at our plant. Rejected parts shall only be returned on our request and, if necessary, in good packing and enclosing a packing list stating the order number. The sender shall be responsible for the freight costs.

No guarantee shall be assumed for damages which resulted due to the following reasons and are not our responsibility due to a lacking breach of duty by us and for which we have not assumed any guarantee.

Unsuitable or improper use after transfer of risk, in particular excessive use, incorrect assembly or commissioning by the customer or third parties despite the existence of proper installation instructions, normal wear and tear (wear), incorrect or negligent handling, unsuitable operating material, replacement materials, faulty construction work, unsuitable operating conditions, particularly in the case of adverse chemical, physical, electromagnetic, electrochemical or electrical influences, weather or natural influences or high ambient temperatures.

The results of our testing facilities are decisive for the evaluation of our products.

Subsequently performed rework or supplied parts are only guaranteed until the expiry of the guarantee period for the original delivery. The buyer's assignment of guarantee claims to third parties is not permitted.

In the case of quality complaints, the Customer's payments may only be held back to an extent that is appropriate to the purchase price of the product.

The buyer's entitlement to compensation for damages or reimbursement of expenses due to a breach of duty or any other legal reason is fundamentally excluded. This excludes claims arising from the injury of life, body or health, if we are responsible for the breach of duty, and other damages, which are based on an intentional or grossly negligent breach of duty by us. A breach of duty by one of our legal representatives or our vicarious agents is equivalent to a breach of duty by us. The aforementioned liability exclusion does not apply to the breach of essential contractual obligations. In the case of slightly negligent breaching an essential contractual obligation, our liability is limited to the contract-typical, foreseeable damage. If the buyer chooses to withdraw from the contract, due to a legal or material defect after supplementary performance has failed, been denied or is unreasonable, he shall not be entitled to any additional compensation for damages.

If the customer chooses compensation after subsequent performance has failed, the subject matter of the contract remains with the customer, if this is reasonable. The compensation for damages shall be limited to the difference between the purchase price and the value of the defective item. This does not apply if we have fraudulently caused the breach of contract.

The period of limitation for quality defect claims or other claims for compensation for damages is 1 year from the beginning of the statutory period of limitation.

7. Right of withdrawal and other rights

Unforeseen events within the meaning of paragraph 4, which exceed the agreed delivery time, entitle us, excluding any claims of the buyer, to withdraw fully or partially, if economic conditions have considerably changed since ordering, so that fulfilment cannot be reasonably expected of us. This is true even if an extension of the delivery period was initially agreed.

Except for the requirements set out in paragraph 6, the buyer cannot enforce any claims against us for compensation for damages or other rights due to any disadvantages associated with the contract or the delivery item, for which we are not responsible. The buyer cannot withdraw from the contract, no matter what legal grounds he cites.

8. Place of performance and court of jurisdiction

The place of performance for both parties is the seat of the supplier in Wuppertal, Germany. Court of jurisdiction in all disputes arising directly or indirectly from the contractual relationship is Wuppertal, Germany.

9. Final provisions

German law applies exclusively, even for deliveries abroad. The validity of the United Nations Convention on Contracts for the International Sale of Goods (CISG) is excluded. In the event that individual conditions are or should become null and void, or be ruled unenforceable by a legally binding court ruling, then this does not affect the effectiveness of the remaining conditions. Ineffective conditions shall be replaced by a provision which comes closest to the economic implications of the invalid one.

Wuppertal, September 2016

**Koellmann Gear
Koellmann Airtac
Thielenhaus Technologies GmbH**