

I. Application of the General Conditions of Business

The following conditions of sale and delivery apply to all contracts, deliveries and other services including consultation services provided such have not been modified or excluded with the express approval of Wagner GmbH. General conditions of business of the buyer will not become obligatory even if such have not again been expressly contradicted by Wagner GmbH.

II. Extent of deliveries or services, exclusion of procurement risk and guarantees

- Deliveries or services shall be subject to the written declarations from both sides. If a contract has been concluded without such declarations from both sides being present, the written order confirmation of the seller shall be decisive. Additional arrangements shall only be effective if confirmed in writing.
- Wagner GmbH does not accept any procurement risk whatsoever on articles ordered and not immediately available. Acceptance of guarantees of whatever type is excluded unless express agreement has been concluded with the buyer in writing.

III. Price and payment

- Prices include packaging, ex works Munich plus legal value added tax applicable at the time. Entitlement to the net purchase price shall become due immediately after receipt of the goods unless a due date based on the invoice date and deviating discount regulation has been agreed and confirmed in writing.
- Arrears: the debtor shall be subject to the automatic arrears regulation in accordance with §284 paragraph 3 BGB (30 days).
- Delivery shall be free house within Germany.
- Deliveries abroad are generally unpaid. Freight costs charged to Wagner if applicable will be charged on unless otherwise agreed.
- Wagner GmbH expressly reserves the right to reject bills. Acceptance is only for payment purposes. Discount and bill charges shall be for the account of the buyer and are due immediately. Bills are accepted without obligation for correct presentation and protest.
- The buyer shall have retention or offsetting right against Wagner GmbH only with undisputed and legally established claims or titles.

IV. Term of deliveries or services

- Agreed dates of delivery are without obligation. Adherence to the term requires the timely receipt of all documents to be supplied by the buyer, adherence to the agreed conditions of payment and other obligations. If such obligations are not met timely, the period will be suitably extended.
- The term of delivery shall be considered adhered to if the object of delivery has left the works or readiness for dispatch has been indicated prior to its expiration.
- If failure of adhering to the period for deliveries or services can be demonstrated to be due to mobilisation, war, rioting, strike, lockout or the occurrence of unforeseeable obstacles, the period will be suitably extended.
- If the dispatch, the provision or the delivery is delayed at the request of the buyer, storage charges to the amount of 1/2% of the invoice amount starting one month after indication of dispatch or offer or separation readiness, can be charged to the buyer for each started month; the storage charges are limited to 5% unless proof of higher costs can be furnished. However, Wagner GmbH is entitled after setting and fruitless expiration of an appropriate period to otherwise dispose of the object of delivery and supply the buyer with an appropriately extended period.
- Adherence to the term of delivery requires compliance of the contractual obligations of the buyer.

V. Transfer of risk and acceptance

- The risk of destruction, deterioration and shipment shall pass to the buyer in all cases as soon as the object of delivery has left the business or storage rooms of Wagner GmbH or of a storage company assigned for this purpose; this applies also to free-house deliveries. This applies also to cases of part deliveries or cases where Wagner Company has accepted other services such as shipping costs or carriage or installation. At the buyer's request the consignment will be insured against theft, breakage, transport, fire and water damages and other insurable risks by Wagner GmbH at the expense of the buyer.
- Should the dispatch be delayed through circumstances under the responsibility of the buyer, the risk shall pass to the buyer from the day of the readiness for dispatch notification, but Wagner GmbH shall be obligated at the request and at the expense of the buyer to take out the insurances if requested by the latter.
- Delivered objects must be accepted by the buyer even if afflicted with minor defects notwithstanding the rights from paragraph VII (defect liability).
- Part deliveries are permissible.

VI. Ownership reservation

- All deliveries by Wagner GmbH are subject to ownership reservation. The delivered goods remain the property of Wagner GmbH pending full payment of the purchase price and all other claims by Wagner GmbH against the buyer from the current business connection (upon payment by cheque or bill up to their clearance) or from existing claims from one of the current account relationships existing from one of the parties to the purchase contract.
The buyer is entitled to resell the goods by way of regular business transaction. In the event of reselling the buyer shall cede as security to Wagner GmbH even at this stage the titles and other claims against his customers with all additional rights arising from such resale. The buyer is entitled to collect the ceded title. In the event of a discontinuation of payment, application or opening of bankruptcy proceedings, in court or out of court settlement proceedings or other dwindling of assets of the buyer Wagner GmbH shall be entitled to demand that the buyer announce the titles ceded to it and their debtors, provide all information required for collection, hand over the relevant documents and inform the debtor of such assignment.
- Should the delivered goods be processed by the buyer, processing shall take place on behalf of Wagner GmbH, which is consequently considered manufacturer in terms of § 950 BGB, also acquiring ownership in the intermediate or final product. Upon processing with other goods not belonging to the buyer, Wagner GmbH shall acquire co-ownership in the new object at the ratio of the value of the goods supplied by Wagner GmbH relative to the foreign goods at the time of processing. If the reserved goods are installed by the buyer as an essential component in the property of a third party, the buyer shall cede to Wagner GmbH even now the remuneration entitlement incurred by the buyer against such third party.
- The buyer may neither pledge nor place in escrow the object of delivery. In the event of attachment and seizure or other dispositions by third parties he shall immediately inform Wagner GmbH in this regard.

- Should the buyer violate the contract especially through payment arrears, Wagner GmbH shall be entitled to take back and the buyer be obligated to hand over the goods following notice. Claiming reservation of ownership and assignment of the object of delivery on the part of Wagner GmbH shall not constitute a withdrawal from the contract unless §§ 488 to 506 BGB shall be applicable.

VII. Defect liability

- The buyer is obligated to examine the delivered goods immediately after delivery and inform Wagner GmbH immediately of existing defects in writing, but not later than by the working day next following delivery. Defects, which are reported too late, i.e. contrary to the above obligation, will not be considered by Wagner GmbH and are excluded from the warranty. Defect complaints will only be accepted by the supplier as such if reported in writing. Complaints directed at field service staff or carriers or other third parties do not constitute formally correct and timely complaints.
- The return of the goods to Wagner GmbH in the event of a defect can only be effected with their previous agreement. Return shipments effected without the previous agreement of Wagner GmbH need not be accepted. In this case the buyer shall bear the costs of the return shipment.
- In the event that reworking or replacement delivery takes place due to a justified defect complaint the provisions under IV shall apply accordingly.
- The presence of a defect established as such and notified through an effective defect complaint shall establish the following rights of the buyer:
In the event of defectiveness the buyer initially has the right to demand subsequent performance by Wagner GmbH. The choice, whether a new delivery of the object or a defect repair will take place, shall be taken by Wagner GmbH at its own discretion. In addition to this Wagner GmbH shall be entitled, upon failure of an additional performance attempt, to make a renewed performance attempt, in turn at its own choice. Only when such repeated additional performance should fail shall the buyer be entitled to withdraw from the contract or reduce the purchase price.
- The buyer can demand compensation or replacement of futile expenditure exclusively in cases of gross negligence or deliberate violation of the obligation of delivery of items free of defect. He shall furnish proof of the reason of the damage incurred. The same applies to futile expenditure.
- New and used goods are subject to a warranty period of one year. In all cases the buyer shall prove that the defect was already present upon delivery.
- The buyer shall be able to withhold payments only if a defect complaint has been lodged on the justification of which there can be no doubt.

VIII. Liability for other obligation violations of Wagner GmbH

- Without prejudice to the provisions concerning the warranty as well as other special regulations made in these provisions the following shall apply in the event of a violation of the supplier's obligations:
- The buyer shall grant Wagner GmbH an appropriate additional performance period for rectifying such obligation violation, which must not be less than three weeks. Only after the unsuccessful expiry of the additional performance period shall the buyer be entitled to withdraw from the contract and/or demand compensation.
- The buyer can only claim compensation in cases of gross negligence or deliberate obligation violation on the part of Wagner GmbH. Compensation instead of performance (upon non-performance, § 280 paragraph 3 in conjunction with § 281 BGB) and delay damage (§ 280 paragraph 2 in conjunction with § 286 BGB) is limited to the negative interest, while damages for performance not provided or not provided as owed (§ 282 BGB) shall be limited to the amount of the purchase price. Compensation instead of performance upon exclusion of the performance obligation (impossibility) is excluded.
- If the buyer is solely or mainly responsible for the circumstances that would entitle him to withdrawal or if the circumstance entitling to withdrawal occurred while the buyer is in acceptance arrears, withdrawal shall be excluded.

IX. Right to withdrawal of Wagner GmbH

Wagner GmbH is entitled to withdraw from the contract for the following reasons:

- If it should transpire, contrary to the assumption prevailing when the contract was concluded, that the buyer is not credit worthy. Credit unworthiness can directly be assumed in the event of bill or cheque proceedings, discontinuation of payment by the buyer or an unsuccessful attempt to enforce payment from the buyer. It is not required that such should concern relationships between Wagner GmbH and the buyer.
- If the buyer has provided incorrect details with regard to his credit worthiness and such details are of considerable importance.
- If goods subject to the ownership reservation of Wagner GmbH are sold other than by regular business transaction of the buyer, especially through placing in escrow and pledging. Exceptions are only possible insofar as the supplier has agreed to such sale in writing.

X. Place of performance and jurisdiction

Place of performance and jurisdiction for all disputes arising from the contractual relationship between the parties is Munich. German law shall apply to the contractual relationships. UN purchase law shall not apply.

XI. Part invalidity, Salvatorian clause

Should one of the provisions in these conditions of business or a provision within the scope of other agreements be or become ineffective, such shall not affect the effectiveness of all other provisions or agreements.
In case of doubt the meaning of the German original shall take precedence over this English translation.