

General Terms and Conditions of Business

by

variata Dorit Lang GmbH & Co. KG
Kißlingweg 50
75417 Mühlacker

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1. Scope of validity

- 1.1 Our General Terms and Conditions of Business shall apply exclusively. Any contradictory or additional conditions of the contracting partner will be opposed. They shall apply only where we have stated explicitly and in writing that we are in agreement with them or parts of them. Our General Terms and Conditions of Business shall still apply even if we make our deliveries without express reservations and in the knowledge of contradictory or additional conditions applied by the contracting partner.
- 1.2 Our General Terms and Conditions of Business apply only in relation to businessmen, legal entities under public law or special assets under public law as defined in Section 310 paragraph 1 of the BGB [German Civil Code].
- 1.3 Our General Terms and Conditions of Business shall also apply to any future business with the contracting partner.

2. Signing the contract, contents of the contract

- 2.1 The scope and contents, and in particular the quality characteristics, of the contractual products that are to be supplied are exclusively as described in our contractual documentation. The quality information given in any other descriptions of the contractual products, public statements, claims or advertising does not have binding contractual force.
- 2.2 We reserve the right to make the following changes to the contractual products after the contract has been signed, provided this is acceptable to the contracting partner:
 - modifications to the product in the course of continuous product development and improvement;
 - slight and insignificant changes to the engineering, colour, shape, design, dimensions, weight or quantity;
 - discrepancies that are customary in the trade.

3. Prices, terms of payment

- 3.1 Unless otherwise explicitly agreed, our prices are ex works, exclusive of postage, packaging and shipping. The statutory rate of VAT is invoiced separately.
- 3.2 Payments are due within 7 days of the date of invoice, free of charge to our payment centre. If payment has not been made within 30 days of the date of invoice, we will regard the contracting partner as being in arrears, with no further explanation provided. Statutory regulations governing the consequences of late payment shall also apply.
- 3.3 The contracting partner can only claim right of offset if his counterclaim is uncontested, recognised by us or legally final. The contracting partner is only entitled to exercise a right of retention if his counterclaim is based on the same contractual relationship.

4. Delivery time, delayed delivery

- 4.1 The delivery times specified are only fixed deadlines if they are explicitly defined as such. The contracting partner will accept longer delivery times if the goods ordered are not in stock and we have to accept longer delivery times from our own suppliers.
- 4.2 Our compliance with our delivery obligations, and in particular the delivery date, presupposes timely and proper fulfilment of any obligations to cooperate on the part of the contracting partner.
- 4.3 Our compliance with the delivery deadline is based on the time at which the delivery leaves our company.
- 4.4 We cannot be held responsible for deliveries that are delayed on account of the following impediments - unless, exceptionally, a warranty was offered or the procurement risk was accepted specifically in relation to adherence to the deadline - and the same applies if these impediments arise for our suppliers or their secondary suppliers:
circumstances of force majeure or impediments to delivery
 - which occur after the contract has been signed or which only become known to us after the signing of the contract through no fault of ours and
 - in relation to which we can demonstrate that, even given all due care and attention, we could not have predicted or prevented them and so were under no obligation to accept responsibility for them or to prevent or avert them.

The circumstances described above - which only occur or become known to us, through no fault of ours, after the contract has been signed, or which we were verifiably unable to predict or avoid - include in particular justifiable labour disputes (strikes or lockouts); operational stoppages; shortage of raw materials; lack of operational or auxiliary materials. The contracting partner is unable to make claims for compensation in the event of delayed delivery as described before. In the event of a temporary impediment to delivery as described before, we are entitled to postpone deliveries for the duration of the problem plus an appropriate start-up time.

- 4.5 We are entitled to make partial deliveries to the extent acceptable to the contracting partner.

5. Delivery, transfer of risk

- 5.1 We do not take back packaging material. The contracting partner is obliged to arrange for the disposal of packaging materials at his own expense.
- 5.2 The risk of accidental loss or deterioration transfers to the contracting partner as soon as the goods are handed over to the person or organisation charged with delivering them or at the latest when they leave our company.

6. Reservation of ownership

- 6.1 We shall reserve the right of ownership over the delivery (as "reserved products") until all payments due under the business relationship with the contracting partner have been received. The reservation of ownership also applies to the recognised balance of account, where we are recording the accounts receivable from the contracting partner in a running account (current account reservation). If the contracting partner behaves in breach of contract, especially if payment is delayed, then we are entitled to take back the reserved products. The taking back by us of reserved products implies a withdrawal from the contract. After taking back the reserved products we are authorised to sell them, with the proceeds from the sale being offset against the accounts payable by the contracting partner - minus reasonable costs for the sale.
- 6.2 The contracting partner is entitled to sell on the reserved products under normal business procedures; however, he here and now transfers to us all claims accruing from the resale of the goods against their buyer or third parties, up to the sum of the final invoiced amount (including VAT) for our outstanding claim against him. If the contracting partner puts the claims arising from any resale of the reserved products towards a pre-existing current account liability relationship with his customer, then the current account receivables are assigned to us up to the recognised balance of account; the same applies to the "causal" balance of account in the event of insolvency on the part of the contracting partner. The contracting partner has the right to collect the amounts owing even after the claim has been assigned to us. This does not affect our entitlement to collect the debt ourselves, subject to the regulations of insolvency law; however, we undertake not to collect the debt ourselves unless the contracting partner is in breach of his contractual duties, especially if he correctly fulfils his payment obligations, is not in arrears and no application has been made to open insolvency proceedings and there has been no suspension of payments.
- The transfer of ownership by way of security and pledging and assigning are not covered by the contracting partner's entitlement to sell the goods.
- 6.3 If our obligation under the foregoing sub-section 6.2. not to collect the debt ourselves no longer applies, then we are entitled - subject to the regulations of insolvency law,
- to revoke the authorisation to sell on and to exercise our right to reclaim and sell ourselves, as described in the foregoing sub-section 6.1 and/or
 - to revoke the authorisation to collect payment and to demand that the contracting partner make known to us the assigned claims and the names of the debtors, that he provides us with all necessary information to collect the debt, hands over the relevant documents and notifies the debtors (third parties) of the assignment of the claim.
- 6.4 If the reserved products are damaged or mislaid, or if there is any change of ownership or location, the contracting partner must notify us immediately in writing. The same applies to any pledging or other intervention by third parties, so that we can institute legal proceedings under Section 771 ZPO [German Code of Civil Procedure]. If the third party is unable to reimburse us for the legal and extra-judicial costs of our legal action under Section 771 ZPO, then the contracting partner shall be liable for any losses accruing to us. If the release of the reserved products is achieved without going to trial, the costs of that process can also be charged to the contracting partner, as can the cost of reclaiming the reserved products that have been pledged.
- 6.5 Any processing or remodelling of the reserved products by the contracting partner shall always be carried out on our behalf. If the reserved products are processed using other items which do not belong to us, then we acquire co-ownership of the new object in proportion to the value of the reserved products (the final invoiced amount including VAT) compared with the value of the other items that have been processed, at the time of their processing or remodelling.
- In other regards, the same applies to the items produced by processing or remodelling as to the reserved products themselves. The contracting partner retains a reversionary interest in the items produced by processing or remodelling in proportion to his reversionary interest in the reserved products.
- 6.6 If the reserved products have been inseparably mixed or connected to other items not belonging to us, then we acquire co-ownership of the new object in proportion to the value of the reserved products (the final invoiced amount including VAT) compared with the value of the other items that have been mixed or connected at the time of their mixing or connecting. If the mixing or connecting takes place in such a way that the contracting partner's item should be regarded as the main item, then it is agreed that the contracting partner will assign to us proportional co-ownership. The contracting partner shall retain the resulting sole ownership or co-ownership on our behalf.
- 6.7 If our reserved products are sold on after processing or remodelling, the contracting partner assigns to us here and now, in the interests of security, his right to reimbursement amounting to the final invoiced amount (including VAT) of our claim.
- If, as a result of the processing or remodelling or mixing or connecting of the reserved products with other items not belonging to us, we have only acquired co-ownership under the terms of the foregoing sub-sections 6.5. or 6.6., then the contracting partner's right to the purchase price is assigned in advance to us,

- but only in proportion to the final value calculated by us for the reserved products including VAT, compared with the final invoiced value of the other items not belonging to us.
Otherwise the foregoing sub-sections 6.2. to 6.4. apply accordingly to claims transferred in advance.
- 6.8 If the reservation of ownership or the assignment process do not apply under the foreign law in force in the place where our reserved products are located, then it is agreed that the provision of security which corresponds in that legal area to the reservation of ownership and assignment process shall apply.
If the cooperation of the contracting partner is required in order to apply such rights, then he is obliged at our request to take all measures required to justify and maintain such rights.
- 6.9 The contracting partner is obliged to handle the reserved products with care and to repair them at his own expense; in particular, the contracting partner is obliged at his own expense adequately to insure the reserved products on new-for-old terms against theft, robbery, break-in, fire and flood damage, in our interests. The contracting partner here and now assigns to us all resulting insurance claims in relation to the reserved products. We accept this assignment.
We also reserve the right to exercise our claim to compensation for non-fulfilment or damage.
- 6.10 We undertake to release the securities that are due to us at the request of the contracting partner provided that the realisable value of our securities exceeds the claims to be secured by more than 10%; the choice of which securities shall be released is ours.

7. Description of service, liability for defects

- 7.1 The qualities listed in our descriptions of service provide a comprehensive and conclusive definition of the properties of the items we deliver. The descriptions of the items we deliver are, unless otherwise explicitly specified, the subject of quality agreements and not of guarantees or commitments. Any explanations on our part in relation to this contract will not, in case of doubt, constitute any guarantee or commitment in the sense of an extension of liability or acceptance of any particular duty of pre-emption. In case of doubt, only explicit written explanations on our part relating to the issuing of guarantees and commitments shall apply.
- 7.2 The contracting partner is not entitled to make claims for defects where the items delivered are used goods. Nor is the contracting partner entitled to make claims for defects in the case of inappropriate or incorrect use or operation, faulty fitting by the contracting partner or a third party, natural wear, incorrect or negligent handling, inappropriate operating materials, or alterations or repair work that have been carried out incorrectly and without prior approval from us.
- 7.3 The right of the contracting partner to claim a defect presupposes that they have fulfilled their obligations under Section 377 HGB [German Commercial Code] to inspect the goods and report any defects properly. Once a defect has been reported, we will tell the contracting partner promptly whether the delivery forming the subject of the complaint, or parts thereof, should be sent back to us or whether he should wait until we can collect it from him or inspect it on the spot. Where we require the item to be returned, the contracting partner should use the same method of dispatch as we chose when we made the delivery.
- 7.4 If there is a defect, then we are entitled to choose whether to remedy the defect by removing the defects or by delivering a new item that is free from defects. If one or both of these methods of remedying the defect is impossible or disproportionate, we are entitled to refuse to apply it.
We can also refuse to remedy the defect if the contracting partner fails to meet his payment obligations to us for the non-defective part of the service that was provided. Any replaced parts become our property.
- 7.5 If it is impossible to remedy the defect or if the process fails, in the event of a culpable or unacceptable delay or if we seriously and finally refuse to remedy the defect or the process is unacceptable to the contracting partner, he is entitled at his discretion either to reduce the purchase price accordingly (discount) or to withdraw from the contract (withdrawal).
- 7.6 If the contractual regulations on the requirements for and consequences of remedying the defect, discounting and withdrawing do not include any conditions or deviating conditions, then the statutory regulations on these rights shall apply.
- 7.7 The claims of the contracting partner to compensation for losses or expenses associated with defects are governed, regardless of the legal nature of the claim, and especially in relation to claims for defects and breach of obligations or claims in tort, by the following regulations in sub-sections 7.7.1 up to and including sub-section 7.8.
- 7.7.1 In accordance with statutory regulations, we are liable for losses:
- due to intent;
 - due to gross negligence by legal representatives of the company or by leading employees;
 - if we are in breach of material contractual obligations including gross negligence on the part of our other agents;
 - in cases of culpable injury to life, limb or health;
 - in the case of defects or other circumstances which were deliberately concealed or
 - defects, the absence of which was guaranteed or where a guarantee of quality or any other kind of warranty was given.
- 7.7.2 Under statutory regulations, we are also liable even in the case of minor negligent breach of material contractual obligations by our legal representatives, leading employees or other agents; however, our liability is limited to the type of losses typical of the contract and which could reasonably have been foreseen.
- 7.7.3 This does not affect our liability under the Product Liability Act.
- 7.7.4 Unless otherwise regulated in the foregoing sub-section 7.7, all other claims are precluded.
- 7.8 Statutory regulations on the burden of proof are not affected by the foregoing regulations in clause 7.7.
- 7.9 The liability is altogether limited to the net value of the order of the defective delivery.

8. Joint liability, withdrawal of the contracting partner

The following regulations apply to claims by the contracting partner other than liability for material defects. Our legal and contractual rights and claims should not be either precluded or restricted. Our liability for compensation claims is governed by the foregoing regulations in sub-section 7.7 and 7.9. We accept no further liability for compensation claims – regardless of the legal nature of the claim that is being made. This applies particularly to compensation claims in addition to the contractual service, and compensation claims instead of the contractual service, on account of breach of obligation or claims in tort for compensation for material losses under section 823 BGB. Insofar as our liability is precluded or restricted, this applies also with respect to the personal liability for compensation of our employees, contractors, colleagues, representatives and agents.

9. Statute of limitation

The period of limitation for claims and rights arising from defects in the delivery, for whatever legal reason - with the exception of the delivery of used goods - is one year. Used goods are delivered in their used condition and with no liability.

10. Transfer of claims by the contracting partner

Claims against us in relation to the deliveries to be made by us may only be transferred subject to prior consent from us in writing.

11. Logo

We are authorised to put our company name in an adequate way on the goods to be delivered.

12. Tool-, model-, and form part costs

12.1 Any and all tools remain our property, even in case of cost sharing with the contracting partner. The contracting partner receives only an exclusive right of use. A claim with regard to transfer or withdrawal does not exist. We keep the tool for five years from the time of last delivery, and for two years in the case of year-bound. After expiration of the said terms we have the right to destroy the tools.

12.2 We are not liable for tools, embossing tools, models, samples, etc. sent to us with exclusion in case of intent or gross negligence. The contracting partner is responsible for an adequate insurance of the tools.

13. Place of performance, place of jurisdiction, applicable law, escape clause

13.1 Unless otherwise agreed, the place of performance is exclusively our business headquarters.

13.2 If the contracting partner is a trader in the sense of the Commercial Code, a legal entity under public law or a public-law special asset, then the place of jurisdiction for all obligations arising from or connected with this contractual relationship - including issues relating to currency exchange and cheques - is our business headquarters or, at our discretion, the headquarters of the contracting partner. The foregoing agreement on the place of jurisdiction also applies to contracting partners based abroad.

13.3 All rights and obligations arising from and related to this contractual relationship are governed exclusively by the law of the Federal Republic of Germany regardless of any conflicting regulations, with the application of the UN Convention on Contracts for the International Sale of Goods (CISG) of 11.04.1980 being excluded.

13.4 If any term in these General Terms and Conditions of Business or any term in other agreements between ourselves and the contracting partner is or becomes invalid, this does not affect the validity of all the other terms