

# General Terms of Sale and Delivery of R + B Filter GmbH, 74243 Langenbrettach, Germany

## 1. General information

All agreements, deliveries, supply contracts, offers and contracts are exclusively based on our terms and conditions, even if we do not explicitly refer to these in future and irrespective of whether we refer to these in each individual case. Our terms and conditions shall be recognised when the order is placed or by acceptance of the delivery.

Deviating terms and conditions of our contractual partners, which we do not explicitly recognise in writing, are non-binding for us, even if we do not explicitly object to these. All previous terms of sale shall hereby become invalid.

We reserve our exploitation rights under property and copyright law to our offers, drawings and other documents to an unlimited extent. The documents may only be made accessible to third parties after obtaining our prior written consent and, if the order is not placed with us, are to be returned to us immediately upon request.

## 2. Conclusion of contract

Our offers are without obligation and shall only become binding through our written order confirmation. The right is reserved to make technical modifications as well as changes to the form, colour and/or weight within the framework of that which is deemed reasonable.

Orders to us, amendments and addendums to contracts as well as collateral agreements must be made in writing. Orders placed with us by telephone or in any other form shall be deemed as accepted if the goods are shipped or handed over and the invoice is issued.

## 3. Prices and payment

Our prices are given in Euro ex works including packaging plus value added tax. In case of new customers we reserve the right to exclusively deliver against cash on delivery or advance payment.

If the delivery is made more than 4 months after the order we are entitled to pass the price increase onto the purchaser in the event of a price increase of our sub-suppliers as well as an increase in other costs. The prices which are decisive on the day of the delivery shall then apply insofar.

The invoice amounts are payable within 30 days. The purchaser shall be in default with the payment by no later than 30 days after the invoice is issued. The possibility to deem the purchaser in default through a reminder remains unaffected hereby.

In the event of default of payment of the purchaser the amount of the interest on default shall be oriented to § 288 BGB [Civil Code]. However, we remain at liberty to assert further damages.

Bills of exchange and cheques shall only be accepted as conditional payment. Bills of exchange shall be accepted without guarantee for objection as well as only after agreement and under the pre-requisite that they are capable of discounting. Discount fees shall be charged from the day upon which the invoice amount is due.

With an agreed term of payment or agreed instalment payment our whole claim shall be due and payable immediately, irrespective of the maturity of possible provided bills of exchange, if justified doubts arise about the purchaser's ability to pay, in particular if the purchaser is in default with an instalment by longer than 14 days, he has suspended his payments or an application has been filed for insolvency proceedings over his assets.

The purchaser can only offset against our claims if the purchaser's counter-claim is undisputed or a final and binding enforceable instrument exists, he can only assert a right of retention insofar as it is based on claims from the corresponding contract.

If the purchaser is in default with payments, in case instalment payments have been agreed, with two consecutive instalments then we can cancel the contract or demand damages owing to non-satisfaction irrespective of our rights from Subclause 3 after setting a reasonable final deadline.

## 4. Delivery, passing of risk, shipment and freight

Our delivery obligation is subject to the reservation of full and correct self-delivery.

Additional or shortfall in deliveries of up to 10 % are permitted in case of special productions and shall be taken into account in the invoice. With regard to the measurements stated for our objects of delivery we reserve the right to the customary trade deviations unless we had explicitly warranted the observance of the measurements.

We are entitled to make reasonable partial deliveries. Non-payment of a delivery entitles us to refuse further deliveries.

If the shipment of the ordered objects of delivery is delayed for reasons, for which the purchaser is responsible, then the risk shall pass to the purchaser with the receipt of the notification that the goods are ready for shipment.

The delivery is carried out at the account and risk of the purchaser insofar as not otherwise agreed in writing between the parties. The risk of accidental loss or the deterioration shall pass to the buyer with the delivery to the party commissioned with the shipment, by no later however than when the goods leave the plant or the warehouse irrespective of whether the shipment is made from the place of performance and who bears the freight costs.

If the goods are ready for shipment and if the shipment of the ordered objects of delivery is delayed for reasons, for which the purchaser is responsible, then the risk shall pass to the purchaser with the receipt of the notification that the goods are ready for shipment.

The supplier has no insurance obligation. At the explicit request of the buyer the supplier shall insure the consignment at the purchaser's costs against theft and transport damages.

In case of an order based on submitted samples we shall make every effort to deliver in line with the sample. Slight deviations and deviations which are not considered to be substantial by the trade must be accepted by the purchaser.

## 5. Delivery time

Delivery and service dates shall principally be confirmed by us in writing. No delivery and service dates shall be agreed without a written confirmation on our part. The delivery time is principally only deemed – even with a written confirmation - as approximate. Firm deals are not accepted.

The delivery time shall begin on the day when the order confirmation is sent and is deemed as observed if the goods have left the plant by the end of the delivery period or with the possibility of shipment it has been notified that the goods are ready for shipment.

The delivery deadlines shall not begin before all technical and commercial details of the order processing have been finally clarified. The delivery deadline shall not begin before the provision of the documents, permits, releases which are to be procured by the purchaser, nor before the receipt of an agreed payment.

Agreed delivery deadlines shall be extended by a reasonable period of time, also within a delay in delivery, with the occurrence of unforeseeable impediments, which are beyond our control, such as for example strike, lock-out, interferences to operation, delays in the delivery of preliminary material no matter whether these impediments occur in our company or at our sub-suppliers. We shall inform the purchaser of such circumstances immediately. We shall not be responsible for such circumstances either if we are already in default. If they occur we are entitled to cancel the contract. The purchaser can cancel the contract with the existence of these cases after an unsuccessful expiry of a reasonable final deadline which has been set. Claims for damages of the purchaser are excluded for these cases.

The delivery deadline shall be extended by a reasonable extent in case of subsequent amendments to the contract.

In case of delay in delivery on our part the buyer must give us a reasonable final deadline (at least 6 weeks) with the threat of rejection. The buyer is entitled to cancel the contract after the unsuccessful expiry of this deadline. Further claims for damages of the purchaser owing to delay in delivery are excluded insofar as the supplier or his executives cannot be accused of wilful intent or gross negligence. The purchaser cannot in any way request compensation for missed profit.

## 6. Delay of acceptance

In case of delay of acceptance of the purchaser we are entitled to set a final deadline after the unsuccessful expiry of which we can cancel the contract in full or in part and demand damages owing to non-performance.

## 7. Property and reservation of title

The delivered goods shall remain our property until all of our current claims against the purchaser have been satisfied. Insofar as the value of the security rights to which the supplier is entitled exceeds the amount of all secured claims by more than 20 % the supplier shall, at the purchaser's request, release a corresponding part of the security rights.

The purchaser is entitled to resell the objects of delivery which are owned by us in ordinary business transactions. However, he hereby

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now already assigns all claims from this resale to us; we accept this assignment. The purchaser is also authorised to collect this claim after the assignment. Our authorisation to collect the claim ourselves remains unaffected hereby, however we undertake not to do this as long as the purchaser properly satisfies his payment obligations. If the purchaser exercises the collection authorization then we are entitled to the collected proceeds in the amount of the delivery price for the reserved goods agreed between the purchaser and us. Payments received for us are to be managed in trust on our behalf. At our request the purchaser must provide the information about the assigned claims which is necessary for the collection and to inform the debtors of the assignment.

The purchaser shall carry out a possible processing of the reserved goods on our behalf (§ 950 BGB [Civil Code]) without this leading to obligations for us. In case of processing, connection, mixing or combining of the reserved goods with other goods, which do not belong to us, we are entitled to the thus produced co-ownership share of the new object as a ratio of the invoice value at the time of the processing, mixing, connection or combination. If the purchaser acquires sole ownership to the new object then the contractual partners agree that the purchaser shall grant us co-ownership to the new object as a ratio of the invoice value of the processed or connected, mixed or combined reserved goods and shall keep these in safekeeping free of charge on our behalf.

If the reserved goods are resold together with other goods, no matter whether without or after processing, connection, mixing or combination, then the advance assignment as agreed above shall only apply in the amount of the invoice value of the reserved goods which is resold together with the other goods.

The purchaser must inform us immediately about enforcement measures, attachments or other interventions of third parties to the reserved goods or to the claims which were assigned in advance by handing over the documents which are necessary for an intervention.

## 8. Warranty, liability and report of defects

Claims for defects of quality shall become statute-barred in 12 months. This shall not apply insofar as longer deadlines are stipulated as mandatory by law (§§ 438 I No. 2, 479 I, 634 a I No. 2 BGB) as well as in cases of the injury to life, the body or the health, in case of a wilful or grossly negligent breach of the supplier's duty and with malicious non-disclosure of a defect.

The purchaser undertakes to subject the objects delivered or processed by us to a quality inspection or inspection for defects immediately. Reports of defects with recognisable defects can only be asserted in writing immediately, by no later however than within 8 calendar days after acceptance of the goods, with defects which cannot be identified only immediately after they are identified, however by no later than within 12 months after acceptance. All warranty is excluded if the defect is not reported in time.

Goods for which a complaint is made may only be returned with our explicit consent.

Defects reported by telephone shall only be legally effective if they are confirmed and recognised by us in writing.

In the event of a justified report of a defect we are entitled to subsequent performance (at our choice substitute delivery or delivery of a faultless object). The purchaser must set us a reasonable and customary final deadline for this subsequent performance. The subsequent performance shall be deemed as failed after the unsuccessful second attempt if not otherwise derived from the type of the object or the defect or the other circumstances.

After an unsuccessful subsequent performance the purchaser is entitled to cancel the contract or to reduce the remuneration. If only parts are faulty with a delivery or service the purchaser's right of cancellation after the unsuccessful expiry of the final deadline merely covers the faulty part of the service unless this is objectively not deemed reasonable for the purchaser.

Claims of the purchaser for damages and expenses (hereinafter: claims for damages), no matter for what legal grounds, in particular owing to the breach of duties from the debt relationship and from illicit act (improper handling) are excluded. This shall not apply insofar as liability is mandatory, e.g. according to the Product Liability Act, in cases of wilful intent, gross negligence, owing to the injury to life, the body or the health, owing to the breach of essential contractual duties. The claim for damages owing to the breach of essential contractual duties is however limited to the typical, foreseeable damages for the contract insofar as there is no wilful intent or gross negligence or liability is assumed owing to the injury to life, the body or the health.

The afore-mentioned regulations do not involve a change in the burden of proof for the disadvantage of the purchaser. Insofar as the purchaser is accordingly entitled to claims for damages these shall become statute-barred with the expiry of the statute-of-limitations which is applicable to claims for defects of quality (1st paragraph). In case of claims for damages according to the Product Liability Act the legal statute-of-limitations shall apply. The warranty shall in particular lapse if the object of delivery was changed by a third party or if improper handling led to a defect to the object of delivery. No warranty shall exist for damages, which are a result of natural wear and tear, negligence, improper work during the installation and assembly or improper method of operation.

Objects for which complaints are made are to be sent to us carriage paid for examination of a warranty case.

## 9. Forms and tools

Forms, tools and other devices which were produced by us for carrying out the order, shall remain our property until the costs incurred for these have been paid separately from the respective further order. If only pro rata costs have been charged for forms, tools, devices the property to forms / tools / devices shall remain with us. If tools/forms/devices are produced according to documents of the purchaser then he is responsible for the accuracy of the graphical presentations, dimensions and figures contained therein.

If tools/forms/devices are provided by the purchaser then he undertakes to examine these for their suitability and faultless nature. Possible faulty deliveries and services which arise from insufficient suitability or faults do not entitle the recipient to exercise warranty rights. He is rather obliged to accept these deliveries and services and pay the agreed price for this.

The purchaser shall be liable for ensuring that property rights of third parties are not infringed with the submitted documents for the production of tools, forms, devices or with the submission of finished tools, forms, devices.

## 10. Place of performance, place of jurisdiction, miscellaneous

The place of performance for all obligations from the contractual relationship is our business premises.

Agreed as place of jurisdiction is Heilbronn insofar as this is permitted by law. This shall also apply in the cases in which the purchaser is not a merchant, however has no general place of jurisdiction in the domestic country, relocates his business seat, place of residence or usual place of stay from the domestic country after conclusion of the contract or the business seat, etc. is not known at the time when the action is filed.

The contractual relationship is subject to the law of the Federal Republic of Germany. Insofar as not otherwise derived from our General Business Terms the statutory provisions shall apply.

Collateral or supplementary agreements are only binding for us if they are explicitly confirmed by us in writing.

The invalidity of one or several provisions shall not result in the invalidity of the whole contract or the whole business terms. In such a case the parties shall replace the invalid provision by an effective provision which shall as far as possible correspond with the legal and commercial contents.