



YOUR POLYMER SPRING EXPERTS

## General Conditions of Sale

(last modified: July 01, 2005)

### 1. Conclusion and Contents of Contracts

Our sales are executed exclusively on the basis of the following General Conditions of Sale unless these conditions are altered or excluded with our express written agreement. We expressly deny all possible provisions in the buyer's conditions of purchase at variance with our own terms. Such provisions shall not be recognised even if we do not repeat our denial upon reception.

Our offers are provisional. Oral agreements and promises made by our staff shall only be binding if we confirm them in writing.

### 2. Pricing

If not otherwise agreed, prices quoted are ex works without deductions, excluding packaging. They are based on current cost factors. In case the latter should be altered by the time of dispatch of the goods, we reserve the right to make appropriate corrections. It is expressly agreed that we shall be entitled to invoice any additional costs incurred. Orders without prior price agreement shall be subject to prices which are valid at the day of dispatch of the goods.

### 3. Delivery time

The proposed delivery time shall be considered only as an approximation. It usually begins at the day of our confirmation of the order, but never before complete clarification of all execution details and all other conditions which the buyer has to fulfill. Deliveries before expiry of the delivery term and partial shipments shall be allowed.

### 4. Force Majeure

Unforeseeable events happening at our own works or at those of sub-suppliers, such as break down of machinery, industrial disputes (strike or lock-out), scrap as well as delayed delivery of essential materials without any fault on the part of suppliers or sub-suppliers, shall extend the delivery period by a reasonable time, if such events have an impact on the timely fulfilment of the whole contract or the part thereof which will next be due.

### 5. Acceptance

If acceptance is requested, the conditions thereof shall be determined at the latest when the contract is concluded. Acceptance shall always be carried out at the supplier's works immediately after notification of readiness for acceptance. The cost of acceptance shall be borne by the purchaser. If the purchaser waives acceptance, the goods shall be considered as being delivered according to conditions when they leave the supplier's works.

### 6. Packaging

If we deem it necessary, the goods shall be packaged to commercial standards and at purchaser's costs.

### 7. Shipment and Transfer of Risk

When the goods are handed over to the forwarder or carrier, but at the latest when they leave our works, the risk shall be transferred in any case to the purchaser. Unless specifically instructed, we shall determine the itinerary or means of shipment at our own discretion and

without any guarantee for choice of least expensive and most rapid shipment.

Goods notified ready for dispatch shall be taken over immediately. If not, we shall be entitled to store them at our own discretion and at purchaser's costs and risks while invoicing them as dispatched ex works. The same shall apply if it is not possible to dispatch the goods.

### 8. Non-compliance of Drawings and Weights

All accounts shall be based on weights and quantities determined by us. The supplier reserves the right of property and copyright on all quotations, drawings and other documents which shall not be made available to third parties.

### 9. Warranty

Notification of defects shall be given in writing by the purchaser immediately or, at the latest, within two weeks from arrival of the goods at the destination. Any defects which cannot, even by means of careful inspection, be detected with this period of time shall be notified immediately, but at the latest within two weeks after the defect's discovery, while any work on the item should be stopped immediately.

After 12 months from the day of dispatch of the goods, the purchaser shall not be entitled anymore to give notice of defects.

We shall be given the opportunity to inspect the defect subject of the notice on the spot either by our own staff or through a representative. Nothing shall be changed on the item subject of the defect notice without our written consent. Otherwise any warranty shall be excluded. On request, the items subject of the complaint shall be returned immediately to our company. If, pursuant to a special agreement, freight charges for the return of the faulty item are borne by us, this shall only apply to consignments sent from the purchaser's works to our works.

In case of unambiguous material or execution faults which exclude any applicability of the item in question, we shall be entitled, at our own discretion, to replace the originally supplied item free of charge, substitute the reduced value, issue a credit note to the amount of the calculated value, or, by common consent with the purchaser, remedy the defect. Any further rights of the purchaser, for whatever reason, shall be excluded.

Natural wear and other causes beyond our control, such as defects resulting from the design or choice of material prescribed by the purchaser, improper treatment or excessive stress shall release us from any liability obligation. Warranty claims shall become void one month after written rejection of the defect notification by us. Any right to conversion or reduction as well as to indemnities of any kind, particularly for lost profit, as well as to reimbursement of the costs incurred directly or indirectly by the purchaser through acceptance, use or treatment of the defective items, shall be excluded.

### 10. Terms of Payment

Our invoices shall be paid within 30 days from the date of invoice without any deductions, unless other conditions have been agreed upon. We shall only accept bills of exchange as a substitute for payments after a special agreement has been made. Credit notes for bills of

exchange or cheques will only be issued subject to reception and without prejudice to any earlier payment deadlines in case of purchaser's delay in payment. Such notes shall be issued with value dating on the day the countervalue is available for disposal by us. In case of overdue accounts, there shall be charged interest on arrears at the banks' credit charge rates. Non-compliance with the terms of payment or events which are suitable to reduce the purchaser's creditworthiness shall result in all our claims to become due, notwithstanding maturity deadlines of any accepted bills of exchange. In such cases we shall be entitled to perform outstanding deliveries only against pre-payment or securities, as well as to withdraw from the contract after a reasonable grace period has been granted, or to claim damages for non-performance. Furthermore, we shall have the right to prohibit the resale of the goods and to take them under our power of disposal. We shall have the right to transfer a title to our business relationship benefits to a third party.

### **11. Retention of Ownership Title**

- (1). All goods supplied shall remain our property (goods subject to retention of title) until all claims have been satisfied, particularly claims on outstanding payments to which we are entitled for whatever legal reason. This clause is also applicable if payments are made for certain claims which are particularly identified.
- (2). Treatment and processing of goods subject to retention of title shall be executed by us as manufacturer under the terms of § 950 BGB (German Civil Code) without incurring any obligation. The processed goods shall be deemed to be goods subject to retention of title under the provisions of paragraph (1). If the purchaser processes, combines or mixes the goods subject to retention of title with other items not owned by us, we shall become co-owner of the new item with a share equal to the proportion of the invoiced value of the goods subject to retention of title to the invoiced value of the other goods used. If our right of ownership should be extinguished by any combination or mixing procedure, the purchaser hereby assigns his rights of ownership of the new item to us at the amount of the invoiced value of the goods subject to retention of title, and he shall keep it for us without any charge. The rights of co-ownership thus created shall be considered to be goods subject to retention of title according to paragraph (1).
- (3). The purchaser may resell any goods subject to retention of title only in the ordinary course of his business and under his normal conditions of business, as long as he is not behind schedule with his payments and under the condition that he has concluded an agreement on the retention of title with his purchaser and that any claims arising from the resale shall be conferred to us according to articles (4) to (6). He shall not be entitled to any other rights on the goods subject to retention of title.
- (4). The purchaser's claims under any resale of the goods subject to retention of title are hereby assigned to us. They shall secure our claims in the same manner as the goods subject to retention of title do.
- (5). If the purchaser resells the goods subject to retention of title together with other goods not sold by us, the assignment of the claim shall be deemed to cover only the invoice total relating to the resale of the goods subject to the retention of title. In the event of any

resale of goods of which we have become co-owner according to paragraph (2), the assignment of the claim shall be deemed to be limited to the extent of our title as co-owner.

- (6). If the purchaser uses the goods subject to the retention of title to fulfil a contract for work, services or supplies, paragraphs (4) and (5) shall apply to the claim arising from this contract accordingly.
- (7). The purchaser shall be entitled to collect claims arising from the resale according to paragraph (3). and (6). until our revocation which is allowed at any time. We shall use our right of revocation only in cases mentioned under paragraph (7). In no case shall the purchaser be entitled to assign a claim. The revocation shall be deemed effective in all cases of suspension of payments, requesting and opening of bankruptcy proceedings, judicial and extra-judicial composition proceedings, protest for non-payment of cheques or bills of exchange as well as in case of seizure of property. Any outstanding accounts received after such events and assigned to us shall be notified immediately to our company by indicating the first and second name and the address of the third party debtor as well as the amount of the claim in question. Such debtor shall be notified of the existing assignment if we do not inform him ourselves. Simultaneously, a list comprising all our goods still available at the purchaser's premises shall be supplied to our company.
- (8). If the value of existing securities exceeds the total amount of secured claims by more than 10 %, we shall be obliged, on purchaser's request, to release securities according to our choice. The purchaser shall inform us without delay of any seizing or other impairment action by third parties.
- (9). If the retention of title or assignment of claims is not enforceable according to the law under which the goods are governed, the security equivalent in such region to the retention of title or assignment of claims shall be deemed to have been agreed. If this requires the purchaser's co-operation, he shall take all steps necessary to create and maintain such security rights.

### **12. Rights of Third Parties**

In case of orders for products whose design and composition features are prescribed by the purchaser, he shall bear the responsibility for any infringement of this design or composition on rights of third parties. The purchaser shall discharge us in case of any claims.

### **13. Place of Performance and Jurisdiction**

Place of Performance for delivery and payment is Ingelbach-Bahnhof.. The legal venue for both parties is Koblenz. This applies also to any action for assertion of claims concerning payment of cheques or bills of exchange. Business agreements with companies which have not established a place of business in the Federal Republic of Germany, shall exclusively be governed by the German law.

**DUREL GmbH**