



## GENERAL SALES CONDITIONS

### § 1 General - Scope

- 1) Our sales conditions are applicable only; any contrary conditions of the purchaser or conditions differing from our sales conditions are not accepted by us, unless we have expressly confirmed their application in writing. Our Sales Conditions shall apply even if we make the delivery to the Customer without reservation, in full awareness of confliction or deviating terms and conditions of the Customer.
- 2) All agreements that are concluded between us and the Customer for the purposes of executing this contract are contained in writing in this contract.
- 3) Our Sales Conditions apply only to companies within the meaning of § 14 of the BGB [German Civil Code].

### § 2 Offer – Offer documents

- 1) If the order is to qualify as an offer in accordance with § 145 BGB, we can assume that this is the cases within 2 weeks.
- 2) We reserve all proprietary rights and copyrights in the illustrations, sketches, calculations and any other documents. This also applies to such written documents that are identified as „confidential“. The Customer requires our express prior consent before these may be forwarded to third parties.
- 3) By notifying its specification, the customer ensures that the purchased goods comply with legal and regulatory regulations. We can only assure compliance with legal and regulatory requirements in the customer country insofar as we deliver goods that comply with specifications.

### § 3 Prices – Terms of payment

- 1) Provided that the order confirmation does not state otherwise, our prices shall apply „ex works“ excluding packing, freight, postage and insurance.
- 2) Our prices do not include the statutory VAT; the VAT is stated in the invoice separately at the applicable rate at the date of the invoice.
- 3) The deduction of discounts shall require special written agreement.
- 4) Unless otherwise shown in the acceptance of order, the purchase price is due and payable net (without deductions) within 30 days after the date of the invoice. The legal regulations will become valid as a result of any default of payment.
- 5) The Customer will be only entitled to rights set-off, if his counterclaims are found absolutely, are undisputed or recognized by us. In addition he is in this respect only authorized to exercise a right of detention as a counter-claim arising from the same contract.



#### **§ 4 Delivery Time**

- 1) The beginning of the time of delivery specified by us implies that all technical questions have been clarified.
- 2) The fulfillment of our delivery obligations further requires the punctual and proper fulfillment of the Customer's duties. The objection of a non fulfilled contract remains reserved.
- 3) If the Customer fails to accept the goods or if he culpably infringes any other duty to collaborate, we shall be entitled to ask for the compensation of any resulting damage including any possible extra expenses. Additional claims and rights shall be reserved.
- 4) If the conditions set forth in Article 3) are fulfilled, the risk of accidental loss, destruction or deterioration of the purchased goods passes to the Customer at the date of default of acceptance or default of the debtor.
- 5) We are liable in accordance with legal regulations if the underlying contract of sale is a firm deal for the purpose of § 286 passage. 2 no. 4 BGB or from § 376 HGB. We also accept liability according to legal regulations, if, as consequence of a delay in deliveries caused by us, the Customer becomes entitled to claim that his interest in the contract ceases to exist.
- 6) We are also liable under the statutory provisions if the default in delivery is due an international or grossly negligent breach of contract for which we are responsible; a fault of our representatives or agents is attributable to us. Should the delivery delay be founded on an intentional or grossly negligent contractual violation on our part, our liability for compensation is limited to the foreseeable damage that may typically occur.
- 7) We also assume responsibility pursuant to the statutory provisions, insofar as the delay in delivery is based on a culpable violation of an essential contractual obligation on our part; however, in this case the liability for damages shall be limited to the foreseeable typically occurring damage.
- 8) The Customer's further statutory claims and rights remain reserved.

#### **§ 5 Transfer of risk – Packing costs**

- 1) To the extent that nothing to the contrary can be seen from the order confirmation, delivery „ex works“ has been agreed.
- 2) Separate agreements shall apply to taking back packaging.
- 3) Insofar as the Customer desires, we shall take out transport insurance for the shipment; the Customer shall pay the costs accruing for this.

#### **§ 6 Liability for defects**

- 1) Claims in the event of defects by the Customer will be conditional to the Customer having fulfilled its inspection and complaint duties to which it is bound by § 377 HGB.
- 2) In so far as the purchased thing has a defect, the Customer shall at his choice be entitled to subsequent fulfillment either by having the defect rectified or delivery of a new item free of defects. If removal of defects or replacement delivery takes place, we are obligated to assume all necessary expenses for the purpose of supplementary performance, especially costs for transport, travel, labor and material, insofar as these do not increase because the purchased objects is brought to a different location than the place of fulfillment.
- 3) If the subsequent performance is unsuccessful, the customer shall be entitled to demand rescission or a price reduction at his option.
- 4) We are liable within the legal provisions, as far as the Customer asserts a claim on compensation which is based on intention or gross negligence of us or gross negligence by our representatives or vicarious. As far as we are not charged of having violated the contract intentionally, the liability for compensation shall be restricted on the predictable typical damage occurred.
- 5) We shall be liable pursuant to the statutory provisions, insofar as we culpably violate an essential contractual obligation; however, in this case the liability for damages is limited to a predictable damage that might typically occur.



An important contractual obligation exists if the breach of duty applies to an obligation upon whose fulfillment the Customer had relied and should be able to rely.

- 6) A latent, potential liability remains, however, for bodily injury, death or other health related torts; this applies, in particular, to the mandatory statutory liability.
- 7) Unless otherwise agreed to in writing, all other liability is expressly and specifically excluded.
- 8) The period of limitation is 12 month, beginning with the transfer of risk. This does not apply if the item purchased is usually used for a building and caused the defect.
- 9) The statutory period of limitation in the event of a claim to damages based on a defective consignment pursuant to §§ 478, 479 BGB shall remain unaffected; the period is 5 years calculated from delivery of the defective object.

## **§ 7 Joint liability**

- 1) Any additional liability for damages other than as stated in § 6, regardless of the legal nature of the claims made, is not permissible. This particularly applies for claims for damages arising from default when the contract is concluded, damages because of other breach of duties, or an account of tortious claims for compensation for property damage in accordance with § 823 of the German Civil Code[BGB].
- 2) Limitation according to clause 1) also applies as far as the Customer instead of claim for damages demands reimbursement of useless expenditure instead of performance.
- 3) As far as the liability for compensation against us is excluded or restricted, this shall be valid as well with respect to the personal liability for compensations of our employees, staff members, representatives and vicarious agents.

## **§ 8 Securing of reservation of ownership**

- 1) We reserve the right of ownership of the subject of purchase until all payments arising from the delivery agreement have been received. If the Customer acts contrary to contract, in particular if he is in default of payment, we are authorized to take back the sold goods. Our taking back the purchased goods shall not constitute withdrawal from the contract. After taking back the objects of the sale we shall be entitled to sell it, and apply the proceeds from its sale to the debt of the Customer – less any costs associated with the sale.
- 2) The Customer undertakes to treat the purchased item with care; in particular, it undertakes to insure the item against fire and water damage and theft at its own expense, with the insured sum being adequate to cover the replacement value. Should maintenance and inspection work be necessary, the customer must perform such work in good time and at his own expense.
- 3) In the case of distress or other actions by third parties, the Customer shall immediately notify us thereof in writing so that we can contest such actions as per § 771 ZPO. As far as such third party is unable to reimburse us the court and out-of-court costs of a lawsuit according to § 771 ZPO, the Customer is liable for the loss occurred to us.
- 4) The Customer has the right to resell the purchased goods in the ordinary course of business; however, the Customer assigns to us, already now all demands in the amount of the final commercial invoice (including value-added tax if applicable) of our demand that accrue to the customer by reason of the resale to its Customer or third party, irrespective of whether the purchased goods are sold with or without processing. Even after assignment Customer remains authorized to collect outstanding claims. Our authorization to collect the receivable ourselves shall remain unaffected by this. However, we shall give an undertaking not to collect the claim as long as the Customer fulfills his payment obligations from the proceeds collected, is not in arrears and, in particular, no application for initiation of compositions or insolvency proceedings has been filed against the Customer or there is no stoppage of payments. Should this be the case, however, we may demand that the customer discloses to us the assigned claims and their debtors, that he furnishes all necessary information and surrenders all appropriate documents and that he notifies the debtors (third parties) of the assignment.



- 5) The processing or modification of the purchased item by the Customer will always be carried out on our behalf. If the objects of sale is indivisibly mixed with other objects not belonging to us, we shall acquire part ownership of the new object proportionate tot he value of the delivery item (the final invoice amount including Value Added Tax) in relation to the other combined or processed items. Apart from this the same shall apply for the item resulting through processing as for the item delivered under reserve.
- 6) If the object of sale is indivisibly mixed with other objects not belonging to us, we shall acquire part ownership of the new object in the same ratio as the value of the object of sale (final total of invoice including value added tax) to the other mixed objects at the time of processing. If mixing uses a method by which the article of the Customer is considered as the main product, it is hereby agreed that the Customer shall transfer co-ownership to us in due proportion. In that way the Customer holds the sole ownership or co-ownership so developed in safe custody for us.
- 7) To secure our claims against him the Customer shall also assign all claims against a third party that accrue to him through the connection of the object of sale of property.
- 8) At the request of the Customer, we undertake to release the securities to which we are entitled insofar as the realizable value of our securities exceeds the claims to be secured by more than 10%; we shall be responsible for selecting which securities to release.

#### **§ 9 Place of jurisdiction – Place of performance**

- 1) Insofar as the Customer is a business person, our place of business will be the place of jurisdiction; we, however, will be entitled to sue the Customer at his local court as well.
- 2) The laws of the Federal Republic of Germany shall apply with the exception of the UN Law on International Sales (CISG).
- 3) If not otherwise shown in the order confirmation, our registered office shall be place of fulfillment.

***Please note that in case of legal dispute only the official German version of this document is legally binding.***

**Kremer-Polymer-Industries  
GmbH & Co. KG**

Hans-Streif-Strasse 2-6  
D-63628 Bad Soden-Salmuenster

**Kremer-Kautschuk-Kunststoff  
GmbH & Co. KG**

Fon: +49(0)6056 / 9154 - 0  
Fax: +49(0)6056 / 9154 – 30

**Kremer-Silicon GmbH**

E-Mail: team@kremer.de  
<http://www.kremer.de>