

I. Applicability

1. All offers are subject to confirmation unless they are designated as binding. Sales and other transactions effected by our sales representatives and agents are always subject to our confirmation.
2. If regular business relations are maintained, these terms also apply to future business transactions. If any provision is or becomes invalid, this shall not affect the validity of the other provisions.
3. The customer's general terms and conditions of purchase are only binding for the supplier if it has expressly acknowledged them in writing.

II. Prices

1. Prices are ex works or the nearest dispatch warehouse, exclusive of freight, customs duties, import taxes, packaging and statutory VAT as per the schedule of prices which is valid on the delivery date. Packaging will be charged at cost price.
2. If the order-related costs change substantially after conclusion of the contract, the parties to the contract will negotiate a price adjustment. The supplier is not bound by the prices agreed for previous orders in any subsequent orders.

III. Delivery and Acceptance Obligations

1. Delivery periods commence after receipt of all documents which are necessary to execute the order, any agreed down payments and timely material orders. The delivery period is deemed to have been complied with if, despite notification having been provided that the goods are ready for dispatch, it is impossible to deliver them for reasons over which the supplier has no control.
2. If the supplier fails to comply with an agreed delivery period and has not acted with gross negligence or wilful intent, the customer shall initially grant a reasonable additional period for delivery stating in writing that the goods will not be accepted after expiry of this additional period. Thereafter, the customer is entitled to demand compensation for delayed delivery or cancel the contract.
3. Reasonable part-deliveries and minor deviations from the ordered quantity which are acceptable to the customer are permitted. The supplier may deliver quantities which are up to 10% over or under the agreed quantity.
4. In call-off orders where no delivery period, production batch sizes or acceptance dates are agreed, the supplier may request binding information in this respect three months after issuing the order confirmation at the latest. If the customer fails to comply with this demand within three weeks of it being made, the supplier is entitled to set a two-week additional time period for compliance and thereafter to cancel the contract, refuse delivery and demand compensation for damages.
5. If deliveries are delayed due to force majeure, the supplier has the right to extend the delivery period for the duration of the event causing the delay or to cancel the unperformed part of the contract either in part or in full. Strike, lock-outs and unforeseen circumstances such as production stoppages which make it impossible for the supplier to effect timely delivery despite reasonable efforts to do so also constitute acts of force majeure. The onus of proof is on the supplier. This also applies if aforesaid events occur when a delivery from the supplier or an upstream supplier is already delayed. The customer may request the supplier to provide information within two weeks as regards whether it wishes to cancel the contract or effect delivery within a reasonable additional period. If the supplier fails to provide this information, the customer may cancel the unperformed part of the contract.
6. The customer undertakes to notify the supplier in writing when articles are to be delisted and to request modifications to listed articles with customer-specific features at least four months in advance and to continue accepting such articles in average delivery quantities for four months after providing the notification. Listed prices are not guaranteed and claims for compensation are not admissible.

IV Packaging, Shipment and Passing of the Risk

1. Unless otherwise agreed, the supplier will select the packaging and method of shipment at its reasonable discretion.
2. The shipment procedure is as follows: deliveries are ex works at the expense and risk of the customer. Orders with a net value of € 250 or higher are delivered free of freight and packaging costs to retailers in Germany. Orders with a net value of € 500 or higher are delivered free of freight and packaging costs to wholesalers in Germany.
3. The risk also passes to the customer when the goods are dispatched in freight-free deliveries. When shipment delays are caused by the customer, the risk passes to the customer when notification that the products are ready for dispatch is issued.
4. The customer may make a written request for goods to be insured against warehouse damage, breakage, transport and fire damage at its own expense.
5. Special packaging (including pallets) which is not invoiced to the customer remains the supplier's property. The customer undertakes to store such packaging with due care and to assist with loading at no charge when it is collected again.

V Retention of Title

1. Delivered goods remain the property of the supplier until the satisfaction of all supplier claims vis-a-vis the customer, even if the purchase price for specifically designated accounts receivable has been paid. When the customer has an account with the supplier, the retained title to deliveries (goods subject to retention of title) shall be the security until the balance has been paid in full to the supplier. The contracting parties' affiliated and group companies are also deemed to be supplier or customer.
2. Customer's treatment and processing of delivered goods is subject to the exclusion of acquisition of property on behalf of the supplier as per section 950 of the German Civil Code. The supplier still holds the title to the new item created by processing or treatment and the item is taken as security until all receivables from the customer have been paid in full pursuant to section 3.
3. If a delivered item is combined (connected or mixed) with other items which do not belong to the supplier, the provisions of sections 947 and 948 of the German Commercial Code (BGB) apply. Consequently, the supplier acquires co-ownership to the new item and uses it as security against receivables from the customer.
4. The customer is only entitled to sell the goods to which title is retained within the ordinary course of business provided that it also exercises the right of retention of title vis-a-vis the purchaser as per paragraphs 1 to 3. The customer has no other rights of disposal over the goods, in particular the right to pledge them or transfer ownership by way of security.
5. In the event that the goods are re-sold, the customer herewith transfers all receivables and other claims from purchasers arising from the resale, including all ancillary rights, to the supplier until all supplier's claims have been satisfied in full. At the supplier's request, the customer undertakes to provide all information necessary to assert supplier's rights vis-a-vis the customer's customers.
6. If the goods to which title is retained are re-sold after processing in accordance with article 2 and/or 3 together with other goods which are not owned by the supplier, the purchase price receivable is transferred pursuant to article 5 only up to the amount invoiced by the supplier in respect of the goods to which title has been retained.
7. If the recoverable value of the security exceeds the claims to be secured by more than 20%, the supplier is required at the customer's request to release the collateral which is held in respect of the receivables.
8. The customer is required to inform the supplier without delay if the goods are pledged or seized by third parties. Any intervention costs incurred as a result shall be paid by the customer.
9. If the supplier exercises its right of retention as laid down in the previous paragraphs by recovering goods to which title has been retained, it is entitled to sell the goods on the open market or by auction. The goods to which title has been retained shall be recovered in return for the amount of the proceeds from the sale or, at maximum, for the amount of the agreed delivery prices. Supplier reserves the right to assert further claims in respect of compensation for damages, in particular claims for loss of profits.
10. If the seller accepts bills of exchange as payment, the retention of title remains effective until such a time when he can no longer be called upon to make payment on the bill. Bills of exchange received by the buyer in respect of the assigned receivable are herewith assigned to the seller and endorsed. The buyer shall hold the endorsed bills of exchange for the seller.

VI. Terms of Payment

1. All payments shall be effected in euro exclusively to one of the supplier's bank or post office check accounts.
2. Unless otherwise agreed, the purchase price for all deliveries and other services is payable with deduction of 2% discount within 14 days or without any deduction after 30 days of the invoice date. Discounts are only effective if all pre-dated, undisputed due invoices have been paid. No discount is granted for payments by bill of exchange.
3. If the debtor defaults on payment, interest at the rate of 5% above the effective Deutsche Bundesbank discount rate is payable as of the due date unless the supplier furnishes proof of higher debit interest. The supplier may also assert claims for further damages.
4. The supplier reserves the right to refuse acceptance of cheques or bills of exchange. Cheques and rediscountable bills of exchange are only accepted on account of performance and all associated costs are paid by the customer.
5. The customer is only entitled to offset or exercise a right of retention in respect of payments due if it has claims vis-a-vis the supplier which are indisputable or have been established as legally binding.
6. If the customer fails to comply with terms of payment or circumstances exist which may have a negative impact on the customer's credit standing, all supplier's receivables from the customer become immediately due and payable. The supplier is also entitled to demand advance payment in respect of outstanding deliveries as well as to withdraw from the contract after a reasonable extension period or to demand compensation for non-performance and further to forbid the customer from reselling the goods and to reclaim goods which have not been paid for at the expense of the customer.

VII. Liability for Defects

1. If the supplier advised the customer, it is only liable for the proper function and suitability of the goods if these qualities

were assured in writing.

2. Written notification of defects must be provided without delay and, at latest, two weeks after receipt of the delivery. In case of hidden defects, this deadline for notification is extended to one week after such defects are discovered and, at maximum to six months after the receipt of the goods. We expressly reserve the right to deliver goods with deviations in colour, thickness and design.
3. When notification of genuine defects is received - whereby the outturn samples approved in writing by the customer are definitive as regards quality and design - the supplier may at its discretion either remedy the defect or provide a free replacement. If it fails to comply with these obligations within a reasonable period of time, the customer is entitled to demand a reduction in price, rescission of sale or withdrawal from the contract. Further claims are excluded if this is legally admissible. Replaced parts must be returned to the supplier upon demand at the customer's expense.
4. The customer waives all rights in respect of defects if it reworks or incorrectly handles the delivered item. The customer is only entitled, after consulting the supplier beforehand, to repair the delivered item and demand reasonable compensation for costs in this connection if such repair is necessary to avert disproportionately extensive damages or if the supplier delays the remedy of the defect.

VIII. Industrial Property Rights

1. If the supplier delivers products manufactured on the basis of customer drawings, models or samples, the customer is responsible for ensuring that no third party industrial property rights are breached. The customer exempts the supplier from third party claims and from payment of damages to third parties. If the supplier is prevented from manufacturing or supplying the products by a third party claiming breach of an industrial property right, the supplier is entitled to cease work without being required to examine the legal position.
2. Drawings and samples provided to the supplier by the customer are to be returned upon the customer's request. Otherwise, the supplier is entitled to destroy them three months after issuing an offer to the customer.
3. Only supplier's branded goods may be offered for sale and sold with reference to the supplier.

IX. Place of Performance and Legal Venue

1. Place of performance is the supplier's factory.
2. Legal venue is selected at the supplier's discretion as either the supplier's registered place of business or the customer's registered place of business, also for document, bill of exchange and cheque proceedings.
3. The law of the Federal Republic of Germany applies exclusively. The application of the Uniform Law on the International Sale of Goods of 17.7.1973 (Federal Gazette I/73 p. 856) and on the Conclusion of International Contracts of Sale for Goods (Federal Gazette I/73 p. 668) is excluded.

X. Scope of Validity

The aforementioned provisions only apply to businesspersons, provided that the contract is relevant to their business dealings, public sector corporations or public authorities.

RUCO GmbH