

# General Terms and Conditions of Sale and Delivery

Issued: February 2013

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## I. General

1. Unless expressly deviating agreements confirmed by us in writing are made we conclude contracts exclusively on the following terms and conditions. The inclusion of the customer's general terms and conditions is expressly contradicted. They will not form part of the contract. In the case of a permanent business relationship, the inclusion of our terms and conditions of sale and delivery in the contractual relationship shall apply even if we do not expressly refer to these General Terms and Conditions of Sale and Delivery in the future. If a condition is deviated from by an agreement confirmed in writing, the remaining conditions remain effective.
2. Our quotations are without engagement. We are only obliged according to our written order confirmation. Amendments and supplements, collateral agreements, promises by representatives, changes to agreements already made must be made in writing. Obvious errors and misprints in our offers, order confirmations and price lists do not oblige us to execute the order.
3. Our quotations are exclusively intended for the inquiring company and its business. A transfer to third parties not involved in the normal business operations of this company is inadmissible and obligates them to pay damages.
4. Each contractual partner shall only use all documents (including samples, models and data) and knowledge received from the business relationship for the jointly pursued purposes and shall keep them secret from third parties with the same care as its own documents and knowledge if the other contractual partner describes them as confidential or has an obvious interest in keeping them secret.

## II. Prices, Packaging and Delivered Quantities

1. Orders for which fixed prices have not been expressly agreed in writing shall be invoiced at the prices valid on the day of delivery and the metal surcharges valid for brass screws and the alloy surcharges valid for stainless steel screws, which may be announced or requested by circular letter.
2. The prices are valid ex works Hilchenbach without packing. Packaging is invoiced at cost price and will not be taken back.
3. We shall be bound by the offer prices - notwithstanding the retention under No. 1 - for offers within the Federal Republic of Germany for 14 days, for offers to exporters and for deliveries to customers outside the Federal Republic of Germany for 4 weeks.
4. The quantities determined by us shall be decisive for the calculation of the delivered goods.

## III. Conditions of Payment

1. Our invoices must be paid within 30 days from date of invoice net. If payment is made within 14 days of the invoice date, a discount of 2% will be granted on the value of the goods, provided that the purchaser is not in default with other due claims.
2. If the term of payment is exceeded, we shall be entitled to charge interest on arrears at the statutory rate of 5% and interest on arrears at the statutory rate of 8% above the respective base interest rate.
3. Bills of exchange and cheques of any kind shall only be considered as fulfilment of the payment obligation when the invoice amount has been finally credited to one of our bank accounts without reservation. Bills of exchange and cheques shall only be accepted after prior agreement as an exception and always only on account of performance and under rejection of liability for timely and proper presentation and protest. In addition, bills of exchange shall only be accepted with the rejection of cash discounts. We always assume the discountability of the bills accepted. Collection and discount charges as well as bill of exchange tax shall be borne by the purchaser.
4. The purchaser is not entitled to reject payments due to some counterclaims including warranty claims or to charge them up unless the counterclaims are undoubted and have been confirmed as being legally binding.
5. The prerequisite for the delivery obligation is the unconditional creditworthiness of the buyer, which he insures with his order. If the purchaser is late in payment for more than 1 week or if circumstances are revealed which justify reasonable doubts regarding the solvency, all our claims and liabilities are due immediately without consideration of drawn cheques. In these cases, we are also entitled, subject to our other rights, to continue to deliver only against cash advance payment or security or to withdraw from the contract.

## IV. Transfer of Risk

1. With the dispatch or provision of the goods and the notification thereof, the risk shall pass to the buyer and the goods shall be stored both with us and with a forwarding agent for the account of the buyer. If we have additionally undertaken to send the goods to the buyer, the goods shall in all cases travel at the risk of the buyer, even if delivery has been agreed freight and postage paid or is made in our own trucks. Such agreements do not make the debt an obligation to fulfil. In the case of in-house transport, liability is limited to intent and gross negligence. If the transport is carried out by third parties, we shall only be liable for gross negligence in the selection. If the dispatch should be delayed through faults on the side of the purchaser or by way of force majeure, the risk is transferred by the day of provision of the goods.
2. We do not take out transport insurance.
3. Deliveries of goods to foreign countries are to be accepted in our works at the expense of the purchaser by legal transaction. We will request the buyer to accept the goods at our works within 14 days. If this does not happen, the delivery of the goods shall be deemed to have been accepted in accordance with the order. We will refer to this consequence in our letter of formal notice. Subsequent notices of defects, design and material complaints are excluded.
4. If there is no specific instruction for the mode of dispatch, delivery shall be made at our best discretion, but at the risk of the recipient and without obligation for the cheapest mode of dispatch.

## V. Delivery and Acceptance Obligations

1. Delivery times are given to the best of our knowledge, but are always non-binding.
2. Our obligation to perform is subject to correct and timely self-delivery. If the delivery is permanently or temporarily impeded or made impossible by extraordinary circumstances, the delivery period shall be extended appropriately if we do not exercise our right to withdraw from the contract in whole or in part at our discretion - excluding damages. Extraordinary circumstances in this sense are, for example, major disruptions in our operations or in the operations of one of our subcontractors which are demonstrably of considerable influence to the supplier, e.g. machine breakage, fire, loss of power supply, shortage of materials, industrial disputes, official measures as well as other cases of force majeure. If the purchaser proves that the additional fulfilment due to the delay is without interest for him, he may restrain from the contract excluding further claims.
3. We are allowed to make partial deliveries.
4. In the event of our default, the buyer is entitled to set a reasonable extra time, usually at least 4 weeks, and to withdraw from the contract after its unsuccessful expiry.

## VI. Delivery and Execution

The nature of our production means that there may be a slight shortfall in production or a surplus. In this respect, the customer must accept a usual deviation of up to 10% of the ordered and confirmed quantities. Unless expressly agreed otherwise in writing, DIN EN ISO 3269 shall apply to all our deliveries. As with all standard regulations, these apply in the latest version, but with the proviso that we are given the opportunity to adapt our production to the new standard regulations within a period of 6 months from their publication.

## VII. Warranty, Notice of Defects and Liability

1. Our products are free from material defects if they have the agreed upon characteristics at the time of transfer of risk; this shall also apply in the event of insignificant defects or minor deviations in quantity (cf. No.). VI.
2. The buyer is obliged to inspect our products thoroughly for defects upon receipt and to inform us immediately in the event of defects. We shall be given the opportunity to examine the goods in detail within a reasonable period of time.
3. Incorrect instructions for use do not give rise to any claims for material defects with regard to our products. No guarantee is given for the correctness of advertising statements made by suppliers of primary material.
4. Justified material defect claims are based on subsequent performance. Subsequent performance shall be effected at our discretion by elimination of defects or delivery of defect-free goods. Subsequent performance shall be limited to performance at the purchaser's place of business. If the subsequent performance fails, the purchaser may reduce the purchase price or withdraw from the contract in the case of the defects not being insignificant. Claims for damages shall only be admissible under the further conditions set out in Clause VIII (General limitation of liability).
5. Warranty claims and recourse claims shall become statute-barred one year after delivery of the goods.
6. Mandatory product liability law remains unaffected.

## VIII. General Limitation of Liability

1. In all cases in which we are obliged to pay damages on the basis of contractual or statutory claims, we shall only be liable insofar as we can be accused of intent or gross negligence.
2. In case of slight negligence we are only liable in case of
  - a) damages from the injury of life, body, or health, as well as
  - b) damages resulting from the violation of an essential contractual obligation (obligation the fulfilment of which makes the proper execution of the contract possible at all and only and on the observance of which the contractual partner regularly trusts and may trust).
3. In the cases of clauses 1 as well as 2 a) and 2 b), liability is limited to compensation for the damage foreseeable at the time of conclusion of the contract, to the exclusion of loss of profit. We shall pay damages up to the amount insured by us at the most.
4. Liability in accordance with mandatory provisions of the Product Liability Act shall remain unaffected.

## IX. Right of Property

1. We reserve the right of property of the delivered goods until the fulfilment of all claims resulting from this business connection against the purchaser. This also applies if the price for special deliveries specified by the purchaser was paid. Any treatment or processing shall be carried out for us without any obligation on our part and without our ownership being lost as a result.
2. The purchaser is entitled to process or to sell goods subject to retention of title within proper business operations. Other regulations are forbidden for him.
3. The purchaser assigns to us in advance all claims arising from the use of goods subject to retention of title with ancillary rights. If the goods subject to retention of title are sold with other items not belonging to us, or if they are used as material in the execution of contracts for work and services, the delivery claims shall be fully assigned to us. Only in the event that the supplier can also assert an extended retention of title with legal effect, the assignment shall only include the share of the proceeds corresponding to our co-ownership. The purchaser has to report without delay any access to the goods subject to retention or to the assigned claims. Costs of interventions will be borne by the purchaser.
4. The purchaser is entitled to carry out the collection of the assigned claims only within proper business operation.
5. The buyer's authorization to dispose of the goods subject to retention of title and to collect the assigned claims shall lapse in the event of non-compliance with the terms of payment as well as bill and cheque protests and with the application to open composition or bankruptcy proceedings. In this case, the purchaser is obliged to revoke without delay any authority granted to banks to independently collect receivables and to set them off against the purchaser's bank liabilities. Furthermore, the purchaser must provide us with the documents and information required for collection.
6. In the event that the reserved goods delivered by us are combined, mixed or blended with other goods, we shall acquire co-ownership of the new goods in proportion to the invoice value of all combined goods at the time of the combination, mixing or blending. This new item shall be deemed to be goods under retention within the meaning of these terms and conditions. If, in an individual case, the newly created item is to be regarded as the main item within the meaning of Section 947 (2) of the German Civil Code (BGB), ownership of it shall be determined by whether that part of the seller or that of the conditional purchaser is the essential component of the new item. If the seller's property has been lost in this way, the buyer shall be liable to the seller.

If the customer does not wish to assign his ownership rights to us instead, he shall notify us immediately of the loss of ownership of the goods subject to retention of title and pay the invoice amount immediately or grant security for our claim by special agreement.

In case the value of the security of our claims given to us is exceeded more than 20% overall we are - upon demand - obliged to release the aforementioned securities according to our choice.

#### **X. Place of Fulfilment and Jurisdiction and Applicable Law**

1. The place of fulfilment for all deliveries and payment as well as all other obligations resulting from the contract is Hilchenbach. The exclusive place of jurisdiction for all legal disputes arising from this contractual relationship, including those relating to prohibited actions occurring within the framework of the contractual relationship, shall at our discretion be the local or regional court Siegen. This also applies for liabilities resulting from bills of exchange and cheques. However, we reserve the right to also sue at the buyer's place of business.

2. This Agreement and its effects shall be governed exclusively by German law. The application of standardized laws on international purchase of movable objects respectively the conclusion of international sales contracts on movable objects is excluded.