

General Terms and Conditions of Business

1. Scope of application (General)

- 1.1. DirektForm (hereafter known as DF) closes contracts only according to the following conditions. The contractual partner's General Terms and Conditions of Business are valid only insofar as they coincide with the following conditions or else have been explicitly recognised in writing by DirektForm.
- 1.2. These terms and conditions are also applicable to all future transactions between the contracting parties. They are solely valid for organisations understood as enterprises in accordance with paragraph 14, clause 1 of the German Civil Code.
- 1.3. Possible additional verbal agreements are ineffective.

2. Prices

Our prices apply from the location of manufacturing, exclusive of package and value-added tax.

3. Shipment and transfer of risks

- 3.1. The risk is transferred to the buyer once the goods are delivered to the contractual partner or to the forwarding agent.
- 3.2. If the contractual partner is responsible for delaying the shipment, the risk will pass to the contracting party on the actual day of delivery.

4. Warranty

- 4.1. The commercial buyer may only assert warranty claims if he/she fulfilled his/ her obligations regarding inspection and complaint according to § 377 of the German Commercial Code. Other customers must announce apparent technical and legal defects within four (4) weeks after receipt of the goods. Information in this regard is to be submitted in writing within two (2) weeks. The contractual partner must describe the defects and damages in as much detail as possible. This regulation places no final deadline on the assertion of the contractual partner's right to warranty.
- 4.2. Warranty claims will expire 12 months after delivery, unless DF has caused the damages intentionally or through gross negligence or has fraudulently concealed them. A shortened period of limitation also applies to claims from warranties DF provided or which bind DF, unless otherwise stipulated. The legal periods for recourse action according to § 478 of the German Civil Code remain unaffected; the same is valid for longer periods of limitation, such as for building construction or the delivery of goods whose use in accordance with their common use for a building caused their defectiveness. These periods of limitation are also valid for consequential harm caused by a defect, insofar as such is not asserted as a result of civil offence. If subsequent order fulfilment is necessary to remedy a defective order, then limitation will be stopped until the completion of the subsequent fulfilment, but not discontinued.
- 4.3. Warranty claims do not exist in the case of negligible deviations from product consistency or if usability is only insignificantly affected.
- 4.4. Before the contractual partner may assert additional claims or rights (withdrawal, abatement, compensation or reimbursement of expenses), DF must be allowed an appropriate period for subsequent fulfilment, as long as no other guarantee obtains. In cases where subsequent fulfilment is unsuccessful despite a minimum of two attempts, or if DF denies subsequent fulfilment; or if subsequent fulfilment is impossible or unacceptable to the contractual partner, then the contractual partner is entitled to withdraw from the contract or to reduce payment.

5. Liability

- 5.1. DF is liable in cases of intentional and gross negligence, as well as for its representatives or agents according to the legal regulations. Apart from this, DF is only liable according to the Product Liability Act with respect to injury to life, limb or health resulting from culpable violation of essential contractual obligations. However, claims for damages resulting from violations of essential contractual obligations are limited to direct losses and damages foreseeable and typical for this type of contract. Liability for damages to legal goods of the contractual partners or third parties, e.g. damages to other goods caused by the delivery item, however, are totally excluded. The regulations of the sentences 3 and 4 of this clause are invalid insofar as the damages were caused intentionally or through gross negligence, or if liability is given for danger to life, limb or health.
- 5.2. The regulation of the preceding article 1 extends to compensation in addition to the service and compensation in lieu of the service, independent of the legal cause, in particular caused by damages, violation of obligations resulting from the contractual obligation, or civil offence. The regulation is also applied to the right to reimbursement for unavailing expenditures. Liability for delay, however, is defined according to clause 3, liability for impossibility in accordance with clause 4.
- 5.3. If non-compliance with time limits is caused by force majeure, e.g. war or similar events, such as strike or lockout, even at a subcontractor, then periods will be extended adequately.
- 5.4. If the service is impossible, the contractual partner has the right to demand compensation according to the legal requirements. However, the contractual partner's claim to compensation in addition to or in spite of the service and to reimbursement of unavailing expenditures is limited to 150 % of the value of the portion of the service that cannot be used due to impossibility. Further claims of the contractual partner due to impracticality of delivery are excluded. This limitation is not valid in cases of liability concerns resulting from intentional and/or gross negligence or due to injury to life, limb or health. The contractual partner's right to withdraw from the contract remains unaffected.

- 5.5. A change in the burden of proof detrimental to the contractual partners is not connected with these regulations.

6. Terms of payment

Invoices are payable in full on delivery or acceptance. The contractual partner will be considered in arrears without any other declaration from DF within 14 days after the due date if the account remains unpaid. In the case of existing defects, the contractual partner does not have the right of retention unless the delivery is evidently defective or the contractual partner is obviously entitled to decline acceptance; in such a case, the contractual partner is authorised to withhold, insofar as the retained amount is proportionate to the defects and the anticipated cost of the subsequent fulfilment. The contractual partner is not entitled to assert claims and rights due to defects, if he/ she has not effected due payment and the sum due including possibly effected payments is in an adequate proportion to the value of the defective service.

7. Reservation of title

- 7.1. DF shall reserve the title to delivered products until the fulfilment of all payment by the contract partner to which DF is entitled due to the business relationship.
- 7.2. During the period of reservation of title, the contracting party is forbidden to pledge the delivery item or to use it as collateral. Resale is only permitted to resellers in an ordinary transaction and only under the condition that the equivalent value of the delivery item will be paid to the contracting party. The contractual partner must also agree with the purchaser that the latter will acquire ownership only with this payment.
- 7.3. The contractual partner is entitled to process the delivery item or to mix it or to incorporate it into other items. Processing, mixture or incorporation (hereafter known collectively as: "Processing" and, with regard to the delivery item, as: "Processed") are performed for DF; the product resulting from processing is declared as "new goods". The contractual partner keeps the goods as new for us with the diligence of a regular businessperson.
- When processing and/or incorporating DF's product into other goods not owned by DF, DF shall be co-owner of the newly created product in proportion to the value resulting from the ratio of the processed, mixed or incorporated delivery item to the value of the rest of the processed goods at the moment of processing. Provided that the contractual partner acquires complete ownership of the new goods, DF and the contractual partner agree that the contractual partner will concede to DF co-ownership of the new goods in proportion to the value of the processed delivery item in comparison with the rest of the processed goods at the moment of processing.
- 7.4. In the case of the sale of the delivery item or the new goods, the contractual partner herewith cedes to DF his/ her right to resale in favour of the purchaser with all ancillary rights as a precaution without the need for additional special declarations. The cession is valid including possible payment balance requests. However, cession is only valid up to the amount corresponding to the delivery item's price invoiced by DF. Meeting the claims assigned to DF must be the top priority.
- 7.5. If the contractual partner incorporates the delivery item or the new goods into estates or movable goods, then he/ she will also cede to DF without the need for special declarations his/ her claim to be entitled to receive payment for the incorporation, including all ancillary rights as collateral security, in the amount of the proportion of the delivery item's value or the new goods' value relative to the remainder of the incorporated goods at the moment of incorporation.
- 7.6. The contractual partner is authorised to confiscate the receivables ceded via this article until cancellation. The contractual partner will immediately transmit to DF payments effected to the assigned accounts up to secured receivable. In case of an existing substantial reason, in particular default on payment, stoppage of a payment, opening of insolvency proceedings, bill protest or justified evidences of overextension or imminent inability to pay of the contractual partner, DF will be entitled to revoke the forfeiture authority of the contractual partner. Moreover, after previous warning and observance of an adequate period of time, DF may disclose the cession of the guarantee, make use of the assigned receivables, and demand the disclosure of the cession of the guarantee by the contractual partners to the customer.
- 7.7. When recognising a legitimate interest, the contractual partner has to submit to DF the information necessary to assert his/ her rights vis-à-vis the customer and to provide the required documents.
- 7.8. The contractual partner has to immediately inform DF in case of garnishments, confiscation or miscellaneous decisions or interventions by third parties.
- 7.9. Insofar as the liquidation value of all security interests to which DF is entitled exceeds the amount of all assured claims by more than 10 %, DF will release an appropriate portion of the security interests at the request of the contractual partner; in case of release, DF is entitled to choose among various security interests.
- 7.10. In case of breach of duty by the contractual partners, in particular in case of default of payment, DF is entitled even without provision of a deadline to demand the release of the delivery item or the new goods and/or to withdraw from the contract; the contractual partner is obliged to release the item. Demanding release of the delivery item/ new item is not regarded as a notice of withdrawal by DF, unless this is explicitly declared.

8. Place of fulfilment and jurisdiction

Place of fulfilment is the company location. Place of jurisdiction is the DF location, so long as the buyer is a dealer.