

KLASS Filter GmbH

Terms of Sale and Delivery

I. Applicable Regulations

All deliveries are governed by these terms as well as any special contractual agreements. In spite of order acceptance any alternative Purchasing Conditions of the Purchaser shall not become part of the contract. A contract becomes valid – without special agreement – with our written confirmation of the order. For these terms the German version is applicable. In addition the INCOTERMS in its respective most current valid version shall apply.

II. Prices

Our prices are quoted in Euro, delivery is ex works inclusive of packing, as far as not agreed something else, duty unpaid, any other expenses are to be paid by the purchaser. We reserve our right to make reasonable price adjustments in case of changes in cost of labour, material or sales that come into effect 4 months after conclusion of the contract. On very small orders we may impose a surcharge for administrative expenses, after prior information to the purchaser.

III. Payment

1. Our goods are sold and delivered against confirmed and irrevocable documentary credit. Agreements to any other terms shall only apply in exceptional cases and require our express written confirmation.
2. In case of no special agreement, payment shall be effected without any deduction.
3. Drafts and checks are deemed as payment, if they are accepted by us, only after discharge/encashment. Discount charges and expenses of a money transfer are to be borne by the purchaser.
4. Withholding payment or set-off is only allowed with undisputed or legally binding ascertained counterclaims.
5. In case of a considerable financial setback of the purchaser after conclusion of the contract whereby our claim for consideration is at risk we are entitled to refuse performance until the consideration is effected or the securities have been posted by the purchaser.
6. All expenses, fees and taxes resulting from any payment (including documentary credits) are to be borne by the purchaser.

IV. Retention of Title

1. Until complete settlement of all our claims resulting from our business transactions, the goods delivered remain our unrestricted property inasmuch as a retention of title is valid according to applicable law. On demand by seller purchaser is obliged to support seller in safeguarding seller's rights and title to the delivered goods in the respective country. In case retention of title is legally not permissible in the respective country, purchaser shall offer equal other securities to seller. If any provided securities exceed the value of our claims by more than 20 % upon demand of purchaser we will release the securities for fully paid-up deliveries in individual cases.
2. The purchaser is revocably entitled to dispose of our goods within its usual business operations. Further dispositions such as pledging of goods or transfer by way of security are not allowed. The purchaser shall inform us directly about any seizure of a third party to the goods or to the assigned claim.
3. In case the delivered goods are combined with other objects to create a new object being the main object and the purchaser sells this newly created object or new objects being our property or still being under retention of title – no matter under what condition – to third parties, the purchaser forthwith assigns all its claims concerning the sale of our goods to us in order to provide security of all our claims against the purchaser resulting out of the business relationship. The purchaser is revocably entitled to collect these claims on its own behalf. On demand, the purchaser shall inform its customers about the assignment and shall provide us with necessary information and the relevant documents in order to enable us to assert our claims.
4. In case the purchaser with the discharge of his duties is in delay or violates in any way against its duties of the delivery contract including these terms of sale and delivery, we are at any time entitled to demand our own goods. If we make use of this right this only constitutes a rescission of the contract if expressly declared by us. For withdrawn property we only have to credit the actual value, limited in the maximum to the agreed purchase price.
5. On demand the purchaser shall bear expenses which are incurred in relation to the exercise of our retention of title, especially the take back of goods or the collection of accounts receivables.

V. Terms of Delivery, Delay in Delivery

1. Terms of delivery are quoted to the best of our knowledge and belief and are only valid upon full clarification of the order. The obligation to comply with the terms of delivery is conditioned upon the fulfillment of the advance performance due by the purchaser (e. g. provision of documents, permissions, clearances).
Furthermore the term of delivery is fulfilled, when the article of sale has left the plant or its readiness for dispatch is announced.
We are entitled to group our deliveries and/or to make part deliveries or shipments.
2. In case of events out of our control for which also the purchaser is not responsible – state of war, state of emergency, official governmental measures, strikes, lockouts, interruption of production or operation - that will hinder or prevent or impede delivery in due time, we are entitled either to delay said delivery or, upon our discretion, to waive our obligations to deliver; in either case the purchaser is not entitled to raise any claims whatsoever. As far as the mentioned events represent a permanent productivity impediment which can not be resolved by a reasonable expenditure, the respective claim for consideration is not applicable. Our claim for consideration shall remain preserved in case the purchaser alone or in parts is responsible for the circumstances making impossible our delivery.

3. In case the purchaser due to a delay bears a loss and we are insofar responsible, the purchaser is entitled to compensation for damage resulting from delay, however limited to 5 % of the price of the part of the delivery not having been delivered timely due to the delay.
4. Further claims concerning any delay in delivery are defined solely in article X.
5. In case of a delay, on demand the purchaser is obliged to declare within a reasonable appropriate time frame whether the purchaser due to the delayed delivery will resign from the contract or will insist on delivery.

VI. Acceptance of Deliveries – Goods Ordered on Call

1. In case the purchaser fails to accept delivery, we are entitled to store the goods at purchaser's cost and risk and to invoice all costs resulting thereof, the goods being considered as delivered timely. The same rule applies if, for reasons for which the purchaser is responsible, goods ready for dispatch cannot be shipped.
2. In case the purchaser deliberately delays the delivery for more than a week, we are entitled to demand a compensation of 0,5 % for each week begun, limited to a maximum of 5 % of the price for the goods to be delivered. The parties are entitled to claim a demonstrated higher damage or to raise the justified objection of lower costs and expenses.
3. Goods ordered on call are to be accepted within two months after invitation by us to accept delivery.

VII. Packing and Dispatch

1. Except when agreed otherwise, packing, method of dispatch and shipping route are within our own discretion.
2. The goods will be delivered ex works at purchaser's risk also in case prepaid carriage was agreed. In case the dispatch is delayed due to circumstances the purchaser is responsible for, the purchaser bears the risk from the date of readiness for dispatch. On demand of the purchaser a transport insurance will be concluded at purchaser's expenses.
3. Delivered goods shall be accepted by purchaser even if the goods have essential defects, notwithstanding the rights of the purchaser according to article IX.

VIII. Engineering, Models and Samples

1. Our quotations on dimensions, weights, output, performance and material are made with the utmost care, but without commitment as far as they are not described as expressly binding; the same applies to our engineering data and proposals. In the interest of technical progress we reserve the right to implement changes. Drawings, models and data made up by us are and remain our property and shall not be made available to others without our explicit permission; insofar we reserve our copy right.
2. Models, tools, tooling and other equipment especially made to execute an order remain our property, even if we invoice a part of the costs thereof.

IX. Claims for Defective Goods

1. In case our goods are defective upon passing of risk, we will at our own discretion and upon consideration of the comparative principle either repair or re-deliver free of charge. Notification of defects by the purchaser must be given in writing within 14 days after receipt of the goods – or in case of latent defects, as soon as discovered. Claims for false or deviating quantities shall be considered only if they are made in writing immediately after receipt of the goods. For public statements particularly made in advertisements we are only responsible if we caused them. In such cases we are only liable if the advertisement has actually influenced the decision to purchase.
2. Claims for defective goods are subject to limitation of 12 months after delivery. This does not apply in cases of injury of life, of the body or of the health in case of wilful and intentional conduct, gross negligence as well as fraudulent concealment of a defect. The limitation of a claim against us will only be suspended if both parties negotiate seriously and actively.
3. In case of defective products, we assume the transport costs incurred while returning the goods including reasonable costs of installation and removal whenever appropriate, but not exceeding the value of the product itself. Return of goods are only permitted upon our prior explicit permission.
4. In case the repair of the re-delivery fails, the purchaser is entitled to either withdraw from the contract or to reduce payment.
5. Claims due to defective goods will not be given in case of faulty installation respectively start up or improper use, or modifications or maintenance carried out by the purchaser or third parties, wear and tear, faulty or negligent treatment – especially excessive demand, use of non-appropriate equipment, change parts and chemical, electrochemical or electrical influences (if we are not responsible thereof).
6. Furthermore article X applies for claims for damages. Further and other claims for defective goods of the purchaser other than regulated in article IX are excluded.
7. Guarantees are only provided by us by special agreement. Declarations concerning the condition of goods in no event constitute a guarantee.
8. As far as not agreed otherwise, the consequences resulting out of a faulty delivery or defective goods follow statutory law.
9. In case the order is to be executed according to drawings, models or samples submitted by purchaser, purchaser has to warrant that no industrial rights are being infringed by the products thus manufactured. If a third party invoking its property rights should forbid or interdict us to manufacture or deliver such products, we are entitled to stop production or delivery, without any obligation to verify the legal validity of the claim, and to invoice the expenses incurred. In such case the purchaser is fully responsible for any damage resulting either from such

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infringement of the rights of third parties or from a claim of action based upon such infringement. Return of goods is not permitted without our explicit permission.

X. Other Claims for Damage

1. Unless otherwise specified in these terms and conditions we are only obliged to indemnify the purchaser for damages arising out of faulty delivery or other legal reasons attributable to us as stipulated by mandatory statutory law, e.g. according to product liability laws, in case of intentional or willful acts, gross negligence, injury of life, of the body and the health and because of breach of essential contractual duties. However, the claim for damages out of the breach of essential contractual duties is limited the foreseeable, normal and characteristic contractual damage.
2. As far as the purchaser is entitled to claims for damages according to this regulation the claims for damages are subject to limitation according to the limitation period which shall apply for defective goods as defined in article IX, 2.

XI. Miscellaneous – Jurisdiction

1. The rights of the purchaser are not assignable.

2. The invalidity or modification of any or several clauses of these terms and conditions does not affect the validity of the remaining terms and conditions. The contractual parties are obliged to replace the invalid clauses by equal regulations having the same economic meaning.
3. Place of performance for our deliveries is the particular factory of ours from which goods are delivered. Place of performance for payments is Türkenfeld and court of exclusive jurisdiction is Fürstenfeldbruck.
4. All legal relations are governed by German law under exclusion of the Agreement of the United Nations of 11th April 1980 regarding contracts involving the international sale of goods.