

General Conditions of Sale:

Jurisdiction / Preamble:

The following conditions are an integral part of all delivery contracts of the company Heinrich Jungblodt GmbH & Co. KG (in the following referred to as HJL), they only apply to companies, legal entities of public law or public legal separate assets in terms of § 310 paragraph 1.. They shall be legally valid even if not explicitly mentioned in subsequent contracts, unless the contractual partner is no trader according to HGB (German Commercial Code). The general conditions of purchasing of the contractual partner shall not apply to our contracts if they are inconsistent with our general terms and conditions. At latest through the acceptance of the goods the terms and conditions of the supplier shall be accepted as binding. If goods are supplied despite of inconsistent conditions of purchasing without acceptance, the present conditions are presumed as valid upon delivery, even though the buyer's confirmation of order is different. Other conditions are providently contradicted to. In case the order of the buyer is confirmed with deviations from our terms and conditions, only our conditions of sale shall be valid, even though not explicitly contradicted to. Discrepancies shall only be accepted if acknowledged by us in writing. There is no way of tacit approve on our part. If the contractual partner does not agree with these conditions we immediately need an explicit written statement. In this case we reserve the right to withdraw from the contract without any liabilities or claims.

1. Offer and conclusion of a contract

According to HJL our offers are without engagement and non-binding,, unless otherwise expressly agreed. Orders are assumed as accepted if confirmed by the company HJL in text or directly after receipt of order. In this case the delivery note / invoice shall be considered as confirmation of order.

2. Article of sale, scope of delivery

2a) The confirmation/delivery shall be relevant to the content, type and scope of products and services supplied. The buyer shall be liable for consequences arising from incorrect and/or incomplete specifications. He is obliged to revise the confirmation in respect of the accuracy of the content.

2b) The buyer shall be responsible for errors in the transmission. When the goods are provided to the buyer they are considered as pilot samples and not as sample of no commercial value according to BGB (German Civil Code).

2c) Delivery times shall be binding for the buyer. In case of call orders the whole amount confirmed shall be accepted with the delivery. Storage costs arising from delayed calls shall be charged to the buyer. In this case the ready-for-dispatch-note shall be reckoned as dispatch. Upon receipt of this note the buyer shall automatically be subject to default of acceptance. If the customer defaults in acceptance or culpably infringes other obligations to cooperate, we are entitled to claim all occurred losses, including any additional expenses. Further claims remain reserved. As far as the above mentioned conditions are existend, the risk of an accidental loss or accidental deterioration of the goods switches over to the purchaser at that time, in which he has fallen in to arrears.

2d) Partial deliveries shall be accepted up to a reasonable extend. Excess delivery or short delivery up to 10 % shall be acceptable.

3. Hydrogen embrittlement with fasteners

3a) In case of fasteners with galvanic coating from property class 10.9 upwards there is the danger of hydrogen embrittlement. Also in case of thermal finishing treatment a residual risk cannot be excluded. We expressly hint at the decrease in capacitance involved. Therefore these kinds of coatings are only provided upon request and at the customer's risk. Any claims and compensations for damages against HJL shall therefore be excluded.

3b) No warranty shall be granted if hydrogen embrittlement occurs, especially if a special treatment or coating of the products had been made. In these cases and according to the current state of technology and the specifications for fasteners there is the general law that the risk of hydrogen embrittlement generally exists at a strength of 12.9 (= minimum strength and ratio of the lower limit of elongation for the nominal tensile strength). Further it exists at a strength of 10.9 in most cases and at a strength of 8.8 in extreme cases. Also for parts made of spring steel there is no warranty granted in case of hydrogen embrittlement as this risk can never be excluded.

3c) According to the currently effective technical standards (e.g. DIN EN ISO 4042, DIN EN ISO 9587, DIN EN ISO 15330) and the current state of technology a complete elimination of hydrogen embrittlement is technically impossible. The appearance of hydrogen embrittlement can therefore not be considered an infringement of contract. In order to reduce the probability of hydrogen embrittlement galvanic coating methods should be avoided.

4. Documents

4a) The documents, illustrations, drawings, indications of weight and measurements which are an integral part of the offer shall be only approximately authoritative – unless stated otherwise. Especially they shall not be assumed as assurance of properties or warranty. Verbal information, product description, performance data and similar are not guarantee or quality agreement, unless they are expressly confirmed in text by HJL as "binding". The industrial property and copy right is subject of Jungblodt for all documents and papers that are issued in relation of offers and orders.

5. Default and non-compliance

5a) A contingently fixed delivery time on the confirmation of order shall only be considered as approximately agreed. This shall not apply to a written, expressly and binding covenant of the management.

5b) An agreed calculable delivery time shall commence with the day of clarification of all technical and other details of the order and not with the confirmation.

5c) In case of default HJL shall be granted a reasonable grace period of minimum 17 days for the fulfillment, this shall also apply to compensations for damages or withdrawal.

5d) The right of a correct and timely self-supply is reserved in any case.

5e) The delivery time is extended – also in case of default or if a grace period is granted - in the event of force majeure and if other unforeseeable circumstances occur after conclusion of the contract which cannot be influenced by HJL. This shall also apply to circumstances at suppliers and sub-suppliers of HJL.

5f) HJL shall not be liable for the defaults of the suppliers in case of delay or lack of service. In this case HJL commits to assigning any possible claims for damage against suppliers to the buyer.

5g) Generally the additional liability (e.g. regarding default in conclusion of the contract, infringement of accessory obligations and tortious acts) shall be limited to intention and gross negligence.

6. Dispatch, transfer of perils

6a) Packaging, itinerary and means of transportation shall be chosen by HJL, unless agreed otherwise.

6b) Generally the perils are transferred to the buyer/ordering part when the goods are handed over to the forwarding agent or freight carrier, at latest when the goods leave the stock. This applies regardless of whether the shipment of the goods takes place from the place of delivery or who bears the freight charges.

7. Prices and payment

7a) The prices are FCA Warstein, Incoterms 2010, excluding packaging and freight. The prices are in Euro plus VAT.

7b) If after conclusion of the contract the costs change substantially, e.g. because of price alterations of a supplier, HJL shall be entitled to change the prices to a reasonable extent for all deliveries which have been effected later than 3 months after conclusion of the contract. If the prices rise by more than 10% the buyer shall be authorised to withdraw from the contract.

7c) Unless otherwise agreed the invoices are due within 30 days net after receipt of the invoice. No discounts are granted for acceptance costs. Payment is due within this period of time to ensure that the invoice is settled at the due date at latest. The buyer shall come in default at least 10 days after the payment date without the necessity of a separate reminder.

7d) If after conclusion of the contract the pecuniary claim is endangered because of insufficient financial solvency of the buyer HJL shall have the rights according to § 321 German Civil Code (BGB). The right of reclaim and retraction is not considered as a withdrawal from the contract.

8. Retention of title

8a) HJL reserves the right of property until the full amount of the sales price has been paid.

8b) In case of goods in frequent business HJL reserves the right of property until all payments due in the business concerned - including those arising in future, also from contracts which have been concluded at the same time or later – have been settled.

8c) The buyer shall only be allowed to process and dispose of the goods if - the accounts receivable of the buyer resulting from the disposition of the reserved property are assigned to HJL. Such a claim shall expressly be assigned to HJL, who shall have to accept the assignment. The claim is assumed as security as well as reserved property at the same time.

8d) If the reserved property of the buyer is disposed of together with other goods, which have not been supplied by HJL, the claim resulting from the disposition shall be assigned in due proportion to the invoiced value of the goods by HJL. If the merchandise is inseparably mixed with other items not belonging to us, we acquire joint ownership of the new object in proportion to the value of the goods to the other mixed objects at the time of mixing. If the mixing is carried out in that way that the cause of the buyer is regarded as the main product, it is agreed that the buyer assigns us as a proportional joint ownership.

The Purchaser shall keep the sole or joint ownership for us.

8e) The buyer shall not be entitled to any other dispositions of the reserved property. HJL has to be informed immediately about third party rights to the reserved property or assigned claims.

8f) The buyer is herewith authorised and entitled to collect receivables resulting from the assignment until cancellation of this provision. Our authority to collect the claim ourselves remains unaffected. We commit ourselves not to collect the debt as long as the customer meets his payment obligations from the proceeds, the customer does not get in default of payment and in particular no application is made for the opening of insolvency or bankruptcy or suspended payments. If this is the case, we may require that the customer gives us the assigned claims and their debtors, provide all information necessary for collection, hand over all related documents and notifies the debtors (third parties) of the assignment.

8g) Upon request of HJL the buyer shall immediately inform his customers of such assignment and every necessary information about the contractual relationship. The buyer is not entitled to further assignments. Resale or disposal of those goods is strictly prohibited. Within this context a simple retraction shall not be regarded as withdrawal from the contract.

8h) Should the buyer default in payment or should other circumstances become obvious, which hint after due commercial evaluation at an essential aggravation of the buyer's financial situation HJL shall be entitled to demand payment in advance or a reasonable security. In this case the obligation of HJL of pre-performance expires. In case of the buyer's refusal HJL is entitled to withdraw from the contract.

8i) As long as the property has not been transferred, the purchaser must notify us immediately in writing in the case of seizure or other interference by third parties. As long as the third party is not in the position to reimburse us for the legal and court costs of an action under § 771 ZPO, the customer is liable for of our incurred expenses.

9. Notice of defects / warranty

9a) The buyer agrees that he is obliged to immediately inspect the goods supplied. According to § 377 HGB (German Commercial Code) defective deliveries should be noticed at latest 7 days after receipt of the goods supplied. Further conditions of the trader according to §§ 377, 378 HGB shall not be effected.

9b) Unless otherwise agreed, for final consumers HJL shall grant a warranty period of two years for new products and of one year for second hand products starting with the transfer of perils. The buyer shall have to prove after 6 months that the defect already existed at the day when the transfer of perils took place. The warranty period for customers which are not final consumers (e.g. traders) shall be in case of new products one year. In case of second hand products warranty is excluded. The buyer has to prove in any case that the defect already existed at the day when the transfer of perils took place. The warranty starts with the transfer of perils.

9c) In case of a legitimate notice of defects HJL may choose remedy or compensation delivery. The return transport shall be organised exclusively by HJL. Return transports by an unapproved freight carrier shall be invoiced to the buyer.

9d) A reasonable period of time shall be granted for the removal of defects. Especially in case of doubt HJL is entitled – after written notice – to ask for a private expertise. This period of time shall also be granted to HJL.

10. Place of performance and jurisdiction, miscellaneous

10a) The place of performance for all claims arising from the business also for bills of exchange and cheques shall be Warstein.

10b) The court of Warstein is the only competent place of jurisdiction for all factual and local matters.

10c) We agree with our foreign buyers/customers that all privities of contract shall be judged according to the law of the Federal Republic of Germany. This order is subject to the legislation of the Federal Republic of Germany. The provisions of the uniform law for the international purchase of chattels as well as the law for the conclusion of international sales contract – both dated 17th July 1973 (UN law on the international sale of goods) shall be excluded.

10d) An offset to claims of HJL shall only be permitted in case of indisputable counter claims or counter claims which are recognized by declaratory judgement. The right of retention shall not be applicable for previous or other contracts within the context of the existing business. Especially the deduction of costs for the disposal of packaging from invoices shall not be admissible.

10e) If a part of this agreement becomes legally invalid, the other clauses of this contract shall still be binding. The invalid clause shall be replaced by the relevant statutory regulations.

11. Applicable version

In cases of doubt, the German version of these General Conditions of Sale shall apply.)