

General Terms of Business

I. General

- The general terms of business of the wedi GmbH are valid for the period of this version and the completion of all deliveries, regardless of type, with the exception of laying, installation or assembly of building material or building elements. For exceptions to the standard official contracting terms (VOB), contractual scale of building performance, we offer our customers insight into the contract conditions of the VOB/B and, where relevant, the technical regulations of the VOB/C.
- The use of our products in watercraft and/or aircraft is not foreseen, due to the necessary clearance and testing procedures and the respective fire protection regulations. It requires prior clearance in isolated cases. Guarantee, compensation and other demands are otherwise excluded.
- We hereby explicitly oppose the customer's general terms of purchase which diverge from these. Silence with respect to deviating terms of business of our customers is not to be interpreted as endorsement by us. When a client places an order, they explicitly accept our general terms of business. Agreements which have been made verbally or by telephone and which diverge from our general terms of business shall not become binding until we have confirmed them in writing.
- In so far as these conditions are not applicable or are insufficient, and where nothing else has been expressly defined in the following, the requirements set out in the Code of Commercial Law (HGB) and the Civil Code (BGB) will replace or supplement them.
- Our quotes, as well as our samples, brochures, drawings and other performance data, are subject to alteration and are non-binding unless expressly confirmed or agreed upon in written form.
- Supplementary verbal agreements do not exist.
- The customer is committed to the order for a period of 2 weeks. They must be confirmed in writing by us to be legally effective. If an order is provided by us promptly and if it is not deferred within 2 weeks, the order is seen as effective and enforced. By prompt delivery the invoice is to be considered an order confirmation.
- In the scope of the order confirmation, we direct your attention to the technical requirements and the procedures for processing to ensure the complete functionality in combination with other craftsmen. If the required processing instructions are disregarded, liability for the consequences is nullified.
- Personal data will be processed electronically, passed on and used solely for business purposes in accordance with the regulations set forth in the Federal Privacy Law. Business correspondence which is electronically produced is also legally binding without a signature.

II. Prices

- Our prices are net prices from the Emsdetten site. The effective price is that which appears in the price list at the time of placing the order.
- If delivery only occurs 4 months after order confirmation, we reserve the right to increase the price where there is a substantial change in the costs incurred, for example, wages, packing material, freight, energy or raw material costs and taxes. A price increase will be percentually related to the influence of the cost factors. This does not apply if a long-term debt exists. Unforeseen costs resulting from omission by the customer and which affect our fulfillment of contractual responsibilities will be calculated separately.
- Volume and other discounts as well as partial deliveries require our written confirmation to become valid.

III. Delivery terms and delivery dates

- The delivery term shall commence on the date of our order confirmation or the day the order is executed. It is not binding until a delivery date has been confirmed in writing.
- Binding delivery periods can be extended due to unforeseen circumstances, for example acts of God, industrial action, unavoidable operating problems, road blockades, insufficient energy supply, official measures for the length of the hindrance and appropriate lead time. Binding delivery times are only then in arrears when the customer has set a period of notice of 2 weeks in writing. When the extension has expired unsuccessfully the customer is authorised to withdraw from the contract. Claims for damages are restricted, with the exception of death and injury to body and health, intent and gross negligence.
- We are entitled to provide partial deliveries and partial services at any time.
- The customer must take delivery of the merchandise within 14 days of the order confirmation or invoice and at the latest after expiry of the agreed delivery term.

IV. Terms of delivery, passing of the risk

- If it becomes apparent that the customer's credit worthiness according to commercial discretion is questionable the customer can, within an appropriate stipulated period he chooses, be required to make concurrent payments of the invoice amount or to provide a collateral security. In the case of refusal we may withdraw from the contract of sale whereby the existing amount for services rendered is due immediately.
- The merchandise is dispatched at the customer's cost.
- When purchasing consumer goods (para. 474 in connection with para. 13 of the Civil Code BGB), the risk of the loss or damage to merchandise is passed onto the customer at the moment the goods are handed over. In all other cases, the loss of or damage to merchandise is passed on to the transportation company at the time the goods are handed to them. This also applies in the case of transportation with a personal vehicle and personnel.
- With deviations from the "free of charge delivery to the receiving station" the customer is liable for additional costs and damages.

V. Payment terms

- The purchase price and other receivables shall be due immediately after delivery of our merchandise, handing over or sending of invoice.
- Payments are due within 14 days after due date and receipt of invoice or similar payment request.
- Payment shall only be made to one of our accounts listed on our invoice documents or to one of our authorized collecting agents.
- The acceptance of promissory notes or discountable bills of exchange is only permitted with explicit written agreement if services have been provided as agreed. Payment will be immediately due if the payment terms are not complied with or an aspect of an offence becomes evident, which brings the customer's credit worthiness into question.
- Payment will then be calculated according to the original interest and then added to the oldest debts.
- Invoices are seen as valid if they are not objected to in writing with specific details within 14 days of receipt. Acceptance occurs if specified beforehand on the invoice.
- A claim is only possible with an undisputed and legally conclusive assessment.
- Retention of goods by the customer is valid only for the affected order.

VI. Warranties, liability of defects, liability

- The Statute of Limitations for defects of quality claims when bought by a consumer is two years (para.13 Civil Code (BGB)), in all other cases 12 months from the delivery of merchandise. This is not valid as far as the laws according to para. 438 clause 1 no. 2 (building defects) 479 clause 1 (recourse claims) and 634 (a) clause 1 no. 2 (building defects) BGB where longer periods for claims are extended. If the customer does not observe the operating, maintenance and processing instructions, makes changes to or uses the merchandise improperly, all warranties are invalid.
- The warranties are then restricted to supplementary service (removal of defects or replacement). The chosen supplementary service can be denied, if the cost is too disproportionate. In this case the customer's claim is limited to another form of supplementary service, as long as it is not disproportionate in cost according to para. 275 clause 2 or clause 3 BGB.
- If the supplementary services are unsatisfactory, the customer has the right to withdraw from the contract, demand a lower purchase price as well as compensation or replacement of futile expenditures if the pertaining lawful requirements are met. Failure to "rectify" a reported defect only exists after a second effort to rectify has been made and has proven unsuccessful.

4. The procedure for handling defects is as follows:

- Evident defects, false delivery or incorrect quantities are to be reported in writing immediately, and at the latest within one week after receipt of the merchandise.
- Defects, that despite careful inspection, are not discovered immediately, are to be reported in writing immediately.
- Faulty merchandise is not to be processed further or disposed by third parties if there has not been an agreement concerning the reclamation. If no settlement is reached, the conservation of evidence by a member of the Chamber of Commerce in the customer's principle place of business is to be commissioned.
- The rejected merchandise is to be made available to check for defects; in the case of unlawful refusal the warranty is not applicable.
- In the case of justified objections we are within our rights to take into consideration the type of defect and the customer's justified interests and specify the replacement of merchandise according to our judgement.
- In the case of a consumer warranty claim, the customer must inform us immediately.
- In the case of mutual business deals between business people, para. 377 of the Code of Commercial Law (HGB) is not affected.

VII. Security rights, reservation of proprietary rights, compensation

- Ownership of the goods is reserved until full payment of the purchase price. For goods, which the customer purchases whilst carrying out his/her commercial or self-employed professional activity, we reserve the right to ownership of the goods until all receivables from the customer from the current business relationship including any future receivables from contracts concluded at the same time or at a later date plus all outstanding balances on current account and upon acceptance of bills of exchange or cheques up to their redemption are settled.
- In the event of payment arrears by the customer we are entitled to take back the goods with notice and the customer is obliged to surrender or he shall transfer his third party surrender rights to us upon request. Retraction or seizure of the reserved goods by us does not constitute a withdrawal from the contract.
- In the case of processing, combining or mixing of the reserved goods, wedi GmbH acquires co-ownership of the new object in line with the invoice value of the reserved goods to the other goods at the time of processing, combining or mixing. If the customer acquires sole ownership in one of the aforementioned cases, he transfers co-ownership to wedi GmbH in line with the invoice value of the reserved goods to the other goods at the time of combining, mixing or blending. In such cases, the customer shall hold in trust free of charge the object owned or co-owned by wedi GmbH.
- The customer is entitled to process and sell the reserved goods in the normal course of business as long as he is not in arrears. The right to resell lapses if the customer has agreed a transfer ban with his buyers. Pledging or mortgaging of goods is not permissible.
- If the reserved goods are sold by the customer on their own or with goods not belonging to wedi GmbH, the customer shall transfer to us the receivables arising from the resale (including all outstanding balances on current account) to the amount of the invoice value of the reserved goods with all collateral rights and priority over the rest; wedi GmbH herewith accepts the transfer.
- The customer is authorised by wedi GmbH to collect the receivables transferred to wedi GmbH at his cost and in his own name. This collection authorisation can only be revoked if the customer does not fulfil his payment obligations in a proper manner or he has agreed a transfer ban with his buyers. Upon request, the customer is obliged to inform his buyers about the transfer and to submit the information and documents required for the collection.
- If the reserved goods are used by the customer to carry out work or to fulfil a works supply contract, the receivable from the works or works supply contract is transferred to wedi GmbH in advance in the same scope as specified in point 3.
- If the reserved goods are incorporated as an essential component into a third party property by the customer, the customer transfers the receivables arising from the third party or the person concerned against credit to the value of the reserved goods with all collateral rights including one against granting of a security mortgage with priority over the rest; we herewith accept the transfer. The aforementioned points 3 & 7 apply with regard to the value of the reserved goods. If the reserved goods are incorporated as an essential component by the customer into his property, the customer transfers the receivables arising from the commercial sale of the property or from the property rights to the amount of the invoice value of the reserved goods with all collateral rights having priority over the rest; we herewith accept the transfer. Point 3 applies accordingly.
- The customer shall inform wedi GmbH of third party foreclosure of the reserved goods or the transferred receivables without delay by submitting the documents required in the event of contention; he shall refer to our property or our receivables ownership.
- The right to resale, processing, combining or mixing of the reserved goods or the authorisation to collect the transferred receivables lapses upon cessation of payment and/or application for open insolvency proceedings; the collection authorisation also lapses in the event of cheque or bill of exchange protest. This does not apply to the rights of the insolvency administrator.
- If the value of the granted securities exceeds the receivables by more than 20%, at the customer's request, wedi GmbH is obliged, in this respect, to reassign or release as it chooses.
- The customer bears the costs of all measures to maintain or secure our property.
- In the event of the customer being in payment arrears, wedi GmbH can withdraw from the purchase contract. In addition, if we claim for compensation instead of supply of services and we take back the goods, the contracting parties are in agreement that wedi GmbH shall credit the customer with the normal sales value of the goods at the time they are taken back. At the customer's request, which can only be expressed immediately the goods are taken back, a publicly appointed and sworn expert from the Chamber of Commerce of the customer's choice will calculate the normal sales value. The customer bears all costs of taking back and exploitation of the goods. The sales costs amount to 5% of the sales proceeds where there is no proof available. They shall be set higher or lower if wedi GmbH proves higher costs, or the customer proves lower costs.
- wedi GmbH also has limited liability by reason of statutory provisions for damage which was caused by slight negligence in accordance with the following provisions:
 - In the event of slight negligence liability only exists in the event where essential contractual obligations are violated; liability is limited to typical damage foreseeable when the contract is drawn up. This limitation does not apply in the case of death and injury to body and health.
 - Liability only exists insofar as the damage is not covered by insurance taken out by the customer for the claim concerned.
 - Irrespective of negligence on the part of wedi GmbH any liability in the event of fraudulent concealment of the fault, from taking over a warranty or a procurement risk and in accordance with the Product Liability Law remains unaffected.
 - Liability due to a delay in delivery is regulated definitively in Section III. Delivery terms and delivery dates.
- Personal liability of the statutory representatives, agents and employees of wedi GmbH for damages caused by their slight negligence is excluded.

VIII. Place of performance, jurisdiction, applicable law, partial invalidity

- For any disputes arising directly or indirectly from the contractual relationship, jurisdiction is exclusively our business location, insofar as the customer is a registered trader in accordance with the Code of Commercial Law (HGB) or it involves a legal entity under public law or a separate public law property.
- The law of the Federal Republic of Germany under exclusion of the UN Purchasing Law applies to these business conditions and all legal relationships between the contracting parties. If the customer has his registered office outside the Federal Republic of Germany, German law applies with application of the UN Purchasing Law (CISG).
- Should one of these regulations be or become null and void or be or become unworkable, the validity of the remaining regulations is not affected thereby. Individual null and void regulations shall be replaced by legally valid ones which are nearest commercially to the invalid regulation with regard to content and the intention of the parties. The same applies if a loophole, which requires filling, arises from execution of the contract.