

## Standard Terms and Conditions of DEUREX AG

### 1. General

1.1. Any and all supplies, services or proposals made or rendered by **DEUREX AG** (hereinafter referred to as "DEUREX") will be subject to these Standard Terms and Conditions. The present Terms and Conditions shall equally apply to any and all future business relations and even though they may not have been expressly agreed separately. These Terms and Conditions shall be deemed accepted no later than upon receipt of the contracted goods or services.

1.2. Any other terms or conditions issued by the Purchaser deviating from the present Terms and Conditions will not be accepted unless expressly confirmed to be accepted by Deurex in writing. Counter-confirmations issued by the purchaser with reference to his general terms and conditions are hereby expressly objected.

### 2. Quotations and conclusion of contract

2.1. Any and all quotations submitted by DEUREX shall be subject to confirmation and shall always be subject to existing delivery or service facilities. Quotations submitted by DEUREX may be revoked at any time.

2.2. Quotations submitted by DEUREX shall be valid for no less than one (1) month unless some other period of validity has been specified in the respective quotation.

2.3. A contract will only be deemed concluded once the contractual document is signed by both contracting parties, or upon receipt by the purchaser of an express written order confirmation following the proposal (purchase order) of the latter. Declarations sent via facsimile shall be deemed to have been made in writing and to satisfy the requirement of written form. The same shall also apply to changes, amendments or collateral agreements.

2.4. A contract shall also be deemed formed where DEUREX performs a purchase order issued by the purchaser without reservation through making delivery or rendering the respective service.

### 3. Supplies, deliveries and services

3.1. Unless specifically agreed otherwise in writing, supplies and deliveries will be made or services rendered by DEUREX on purchaser's account and at purchaser's risk.

3.2. Minor deviations from contracted supplies, deliveries or services that will not significantly affect the agreed purpose or use are reserved, and such minor deviations shall not entitle the purchaser to refuse receipt, to resign from the contract or to claim damages. Deliveries made or services rendered will be charged based upon the quantities supplied or rendered.

3.3. Deliveries and supplies will be made by DEUREX or services will be rendered by DEUREX within the periods or upon the dates agreed in the contract. Release order dates within agreed delivery periods specified by the purchaser will only be binding, if expressly confirmed in writing by DEUREX. If delivery periods or dates have been agreed for supplies and deliveries, or services and if these are not replaced by binding release order dates or other such written agreement, DEUREX shall be entitled to make partial deliveries or render partial services within said delivery period at its discretion.

3.4. Deviations of the actual quantities delivered from the agreed quantities due to specific handling or packaging requirements shall be allowed.

### 4. Prices

4.1. Unless otherwise specifically agreed in writing, prices shall be deemed quoted in EURO (€), net, excluding any discounts, commissions or rebates for supplies and deliveries made ex works, excluding freight, customs duties or import levies, but including standard packaging.

4.2. The prices quoted in the order confirmation issued by DEUREX, plus applicable statutory taxes, freight, customs duties, import levies and costs for special packaging, if any, shall prevail.

### 5. Shipment and risk taking

5.1. Unless expressly agreed otherwise in writing, DEUREX will make deliveries ex works. Agreed commercial or shipping terms, if any, shall be deemed construed according to Incoterms 2000.

5.2. Unless expressly agreed otherwise in writing, DEUREX will select or determine the shipping routes, methods of transport or packaging at its discretion.

5.3. Transport risks will only be insured upon the express demand of the purchaser, and on purchaser's account. DEUREX will not accept any further duties, including public liability.

5.4. In the event of transportation difficulties or delays, DEUREX shall be entitled and obliged to take any and all precautions or remedies deemed reasonable to adequately protect the goods. DEUREX shall not have any further duties, including public liabilities. DEUREX shall only be held liable or accept liability for damage to the goods in conjunction with said precautions or remedies pursuant to sentence 1 if damage is caused through intent or gross negligence.

5.5. Packaging material used by DEUREX will be recycled or disposed of respectively by third parties to be designated by DEUREX.

### 6. Reservation of title

6.1. DEUREX is allowed to transfer the rights if title.

6.2. Goods supplied and delivered shall remain

- in case of no transfer of title our property until paid in full by the purchaser.
- In case of transfer: property of VR Factorem GmbH until paid in full by the purchaser.

The purchaser shall be entitled to dispose of the goods purchased in the ordinary course of business.

6.3. Said reservation of title shall also apply to any product created through processing of or mixing or joining with our goods at full value thereof, in which event we shall be deemed the manufacturer of the product so created. If, upon the processing, mixing or joining with third-party goods, said third-party's title should remain, we shall procure joint ownership at the ratio of the amounts invoiced for said processed, mixed or joined goods.

6.4. The purchaser shall assign any claims resulting from resale to us at the full amount of our co-ownership share pursuant to sub-section 6.3, sentence 2, to secure all and any claims now existing or occurring later, including any current account balance. The purchaser shall be entitled to collect said claims on our account until further notice or until discontinuation of his payment to us. The purchaser shall not be entitled to assign said claims, even not for the purpose of collecting the claim through factoring, unless the factoring party is bound to assign our share in the claim to us for as long as claims are still outstanding against the purchaser.

- 6.5. The purchaser shall immediately report to us any access by third parties to the goods or claims, which are our property, by way of certified mail.
- 6.6. Merely to reserve one's proprietary rights does not mean to resign from the contract.
- 6.7. The goods or claims made for them must not be transferred or assigned to third parties, or transferred or assigned as collateral before our claims will have been fully paid for.
- 6.8. If the value of collaterals exceeds our claims by more than twenty percent (20%) we will release collaterals at our option upon the purchaser's request.
- 6.9. DEUREX us entitled to enforce our rights of reservation of title – especially the withdrawal of delivered material (delivered under reservation of title) – without prior resignation from the purchase contract.

## 7. Billing / payment

- 7.1. Billing will be based upon the quantities, dimensions or weights determined and approved by DEUREX.
- 7.2. The purchaser shall submit his objections or doubts regarding the substantive accuracy of an invoice, if any, immediately after receipt of the respective invoice in writing. Making an objection, however, shall be no justification for delaying or refusing to make payment.
- 7.3. Unless otherwise agreed in writing, invoices issued by DEUREX shall be due for payment within thirty (30) days, net, and payment shall be made to the account specified by DEUREX for that purpose.  
In case of no transfer of title the payments have to be transferred to the provided bank account of DEUREX.  
In case of transfer of title for our current claims of our business connection all payments have to be made to VR Factorem GmbH.  
Bank charges for bank transfers shall be borne by the purchaser. Where DEUREX accepts bills of exchange (B/E), discount or bank charges shall be borne by the purchaser.
- 7.4. If a purchaser is in delay with payment, DEUREX shall be entitled to discontinue further supplies and deliveries, or services without further notice. If there is justified doubt that a purchaser is solvent or creditable, DEUREX may make supplies and deliveries, or render services subject to payment in cash with the order or in advance, and all claims shall become due for payment without delay.
- 7.5. Without prejudice to the above provisions, DEUREX shall be entitled to request payment of default interest where periods allowed for payment are not complied with. The default interest rate shall be five percent (5%) above the base lending rate of the European Central Bank. The right to claim damages for delay shall remain reserved.
- 7.6. The purchaser may set off his undisputed or valid claims only against any claims made by DEUREX, or exercise a right of retention in that respect. Said right or retention may only be exercised where the counter-claim originates from the same contract.

## 8. Warranty

- 8.1. All information regarding the suitability, workmanship or use of our products, technical consultancy or support or other such information are supplied at the best of our knowledge, but unwarranted, and will not relieve the purchaser from making his own tests or inspections. No warranty for a specific use is provided unless such warranty is expressly agreed in writing.
- 8.2. Warranty shall be excluded where supplies and deliveries, or services, expressly relate to products of limited or reduced quality unless such products would not even meet such reduced quality requirements.
- 8.3. Immediately upon receipt thereof, the purchaser shall inspect incoming goods for defects in terms of workmanship or intended use. Failing to open claims, the goods shall be deemed duly accepted and approved, and warranty claims shall be barred.
- 8.4. Complaints will only be considered, if submitted within fourteen (14) days from receipt of the respective goods, or immediately upon detection thereof for latent defects or defects that cannot reasonably be detected by sampling, and in writing.

- 8.5. Our warranty obligation covers the replacement, repair or reversed transaction of the contract. If the repeated performance fails, the customer shall be entitled to reduce the price or to resign from the contract. Complained material shall only be returned to DEUREX if expressly agreed by us.
- 8.6. Warranty claims towards DEUREX will expire by limitation within one year from receipt of the goods.
- 8.7. An offsetting by the purchaser with counter claims is excluded, only if the counter claims are undisputable or legally binding. An assertion or right of detention through the purchaser is not accepted, only if it is based on the same contractual relationship or the counter claims are undisputable or legally binding.

## 9. Liability / indemnification

- DEUREX will only accept liability for damage caused by itself or by its vicarious agents by way of intent or gross negligence. This limitation of liability, however, will not apply:
- to bodily injuries or damage to health caused through breach of duty on the part of DEUREX; and
  - to breaches of cardinal duties, i.e. duties the performance of which is a basic condition of contract performance and the performance of which the contracting partner may regularly expect.

- 9.1. The liability of Deurex, independent of the legal ground, is limited to 30.000,00 Euro for each claim and at maximum 60.000,00 Euro for each legal year.
- 9.2. The liability for collateral damage, explicitly loss of profit, production shortfall and connected consequential damages is explicitly excluded.
- 9.3. The limitation period of indemnification is one (1) year starting at day of delivery.

## 10. Force Majeure

- If the contracting parties are prevented from performing their respective duties due to events or circumstances beyond their reasonable control or which cannot be prevented through reasonable technical or economic efforts their respective duties shall be suspended until said events or circumstances will cease to exist or prevail. In such event, the contracting parties will resume performance of their respective duties at the earliest convenience.

## 11. Place of performance and legal venue

- 11.1. The place of performance for supplies and deliveries, or services shall be the respective shipping point (DEUREX warehouse), and Elsteraue or Frankfurt/ Main for payment respectively.
- 11.2. If the purchaser is a businessman in accordance with the purpose of legislation the legal venue shall be Halle/Germany, or the general place of jurisdiction of the purchaser at our choice.
- 11.3. The contractual relationship is only subject to German law, especially German Civil Law and German Commercial Code.
- 11.4. In case of litigation, German is binding.

## 12. Final provisions

- 12.1. Should individual provisions hereof be or become invalid or ineffective the validity of the remaining provisions hereof shall remain unprejudiced. In such event, the contracting parties shall be obliged to replace the invalid provision by a valid provision that resembles the economic intention of the old provision as closely as possible, with retroactive effect from the time the old provision became invalid. Relevant statutory provisions shall apply where the contracting parties do not come to an agreement on such provision within a reasonable period.
- 12.2. Deviations from these Terms and Conditions shall require the written form.
- 12.3. All and any legal relationships and acts out of or in connection with this contract shall be governed by German law.