

**1. Scope of application**

All supplies and the services associated with them shall be provided exclusively on the basis of these General Conditions of Sale. References made by Buyer to his general terms and conditions are hereby rejected.

**2. Offer and acceptance**

Sellers's quotations are not binding offers must be seen as invitations to Buyer to submit a binding offer. The contract is concluded by Buyer's order (offer) and Seller's acceptance. In case the acceptance differs from the offer, such acceptance constitutes a new non-binding offer of Seller.

Orders placed by the BUYER shall not be regarded as accepted before these have been confirmed to the SELLER in writing. If the SELLER should fail to confirm an agreement in writing which the SELLER have entered into verbally or in a telephone conversation, then the SELLER'S invoice shall be regarded as confirmation.

**3. Product quality, specimens and samples; guarantees**

(1)

Unless otherwise agreed, the quality of the goods contractually due is exclusively determined by Seller's product specifications valid at the time of delivery.

(2)

Quality and shelf-life data as well as other data constitute a guarantee only if they have been agreed and designated as such.

**4. Prices:**

(1)

If Seller's prices or Seller's terms of payment are generally altered between the date of contract and delivery, Seller may apply the price or the terms of payment in effect on the date of delivery. In the event of a price increase, Buyer is entitled to withdraw from the contract by giving notice to Seller within 14 days after notification of the price increase.

(2)

The SELLER'S purchase price claims are payable within 14 days including a 2% discount or within 30 days net upon receipt of the invoice unless other payment terms shall have been agreed.

(3)

The SELLER shall accept promissory notes and cheques only upon specific arrangement and only on account of payment. Any fees for discount bills or promissory notes shall be at the expense of the BUYER and immediately payable.

On principle WILPU does not pay the buyer's banking fees. The seller could charge them to the buyer's account if those fees should have been levied.

(4)

If the invoice amount shall not have been settled within 30 calendar days after the date of invoice or at another due date, then the SELLER shall without the need to a separate warning notice have the right to recover default interest in a proven amount but in any event an amount equaling 3 % above the base rate of the European Central Bank.

(5)

If the BUYER's business shall be operated beyond the ordinary course of business which shall include, without limitation, acts of seizure or a situation where a protest in relation to promissory notes or cheques has been made, payments shall be delayed or even discontinued or judicial or out of court settlement or insolvency proceedings shall have been petitioned, then the SELLER shall have the right to declare all the SELLER'S claims arising from the business relationship as immediately payable, even if the SELLER should have accepted promissory notes or cheques. The same shall apply if the BUYER shall be in payment default towards the SELLER or other incidents shall surface which give rise to doubts about its creditworthiness. Moreover, the SELLER may in such event demand prepayments or a security deposit or rescind the agreement.

(6)

For delivery and performance within the EU, before VAT is implemented, the Buyer must inform the Seller of his respective VAT identification number under which he pays taxes on his earnings within the EU.

In case of a non-electronic export declaration, the Buyer has to provide the Seller with the proof of exportation necessary for taxation purposes for deliveries and performances from the Federal Republic of Germany to countries outside the EU, which are not carried out or commissioned by the seller. If this proof is not provided, then the Buyer must additionally pay for the VAT to be levied on performance within Germany on the amounted invoice.

**5. Delivery and return of packaging materials:**

(1)

Delivery shall be effected in accordance with the trade terms set out in the individual contract, for which the version of the INCOTERMS in force on the date the contract is concluded is applicable. Providing no express agreement has been reached, deliveries are made ex works (EXW).

For deliveries within the Federal Republic of Germany, the Buyer shall pay for all costs regarding a possible return

(transport to handover point and disposal) of the sales packaging.

(2)

The good shall be transported uninsured and in any event at the risk of the BUYER. This shall also apply in cases of any delivery free of charge and regardless of which means of transport shall be used. Any transport insurance shall be provided only upon express demand of the BUYER. Any costs arising therefrom shall be at the expense of the BUYER only.

(3)

The selection of the place of dispatch and the transport route and the means of transport shall, in the absence of any written arrangement dictating otherwise, be subject to the SELLER'S reasonable discretion and be without liability for the cheapest and fastest transport.

(4)

If the BUYER provides the means of transport, the he shall be responsible for its availability on time. The SELLER shall immediately be informed of any delays. Any costs arising therefrom shall be at the expense of the BUYER.

(5)

The SELLER`S delivery obligation shall at all times be subject to timely and orderly receipt of the goods from the SELLER`S own suppliers.

(6)

Unless otherwise expressly agreed in writing, any indicated time of delivery or unloading shall be non-binding.

(7)

Any inability to supply as a result of force majeure of other unforeseen incidents outside the SELLER`S responsibility including, without limitation strike, lock out, acts of public authorities, subsequent cease of export or import opportunities and the SELLER`S reservation of timely supply from on own supplies in accordance with subsection (6) above shall, for their duration and in accordance with their impact, relieve the SELLER from the obligation to comply with any agreed time for delivery and unloading.

(8)

If any agreed time of delivery or unloading shall be exceeded and there shall be no incident referred to in subsection (7) above, then the BUYER must specify to the SELLER a reasonable cure period of minimum two weeks. If the SELLER should fail to meet such deadline also, then the BUYER shall have the right to rescind the agreement but shall have no right to seek compensation for breach of contract or default unless in cases of wilful misconduct or gross negligence on the SELLER`S part.

## **6. Damage in transit**

Notice of claims arising out of damage in transit must be lodged by Buyer directly with the carrier within the period specified in the contract of carriage and Seller shall be provided with a copy thereof.

## **7. Compliance with legal requirements:**

(1)

Unless specifically agreed otherwise, Buyer is responsible for compliance with all laws an regulations regarding import, transport, storage and use of the goods.

(2)

Buyer assures that in the course of the business relationship with the Seller (including any use of contractual goods and their packaging) he will abide by any and all applicable legal requirements (including all tax and foreign currency regulations).

## **8. Buyer's rights regarding defective goods:**

(1)

Upon delivery at the agreed destination the BUYER shall immediately

a) check quantities, weight and packaging and record any objections thereto on the delivery note or consignment note and/or the acknowledgement of receipt.

b) conduct a quality check representatively on a spot check basis and, for such purpose, open the packaging and to check the goods itself.

(2)

In case of a notice of defect the BUYER shall comply with the following procedures and deadlines:

a) The notification shall be made by no later than the expiry of the working day on which the delivery of the goods to the agreed destination or on which possession of the goods has been taken. In the event of an objection to a hidden defect which, despite a first inspection in accordance with subsection (1) above, has remained undiscovered a different deadline regime shall apply. In such case the objection must be raised within the earlier of the expiry of the working day on which

the defect has been discovered but in any event by no later than two weeks after delivery or take over the goods.

b)  
The detailed notice shall be delivered to the SELLER within the aforementioned deadlines in writing. Any notice by telephone conversation shall not be accepted. Any notice to sales representatives, commission agents or agents shall not be valid.

c)  
The notice must clearly specify the kind and amount of the alleged defect.

d)  
The BUYER agrees to make available for inspection the objected goods at the place of inspection; such inspection may be done by the SELLER, the SELLER'S suppliers or any expert the SELLER may have designated.

(3)  
No objections with regard to quantities, weight or packaging of the goods shall be possible unless a note has been placed on the delivery note or a consignment note or a receipt of acknowledgement in accordance with subparagraph (1) (a) above. Moreover, right to object shall cease to exist, when the BUYER has mixed, used or resold the good delivered or shall have started its processing.

(4)  
Any good to which objections shall not have been raised in accordance with the procedures and deadlines set out above shall be regarded as approved and accepted.

(5)  
If the goods are defective and Buyer has duly notified Seller in accordance with § 9 subsection 1, Buyer has the statutory rights to the following extent:

a)  
Seller initially has the right to choose whether to remedy the defect or supply Buyer with non-defective replacement goods (subsequent performance).

b)  
Seller may make two attempts at subsequent performance. Should these fail or cause unreasonable inconvenience to Buyer, Buyer may either withdraw from the contract or demand a reduction in the purchase price.

c)  
With regard to claims for compensation, including compensation for unproductive expenditure on a defect, Clause 10 applies.

(6)  
Buyer's claims for defective goods are subject to a limitation period of one year from receipt of the goods. In the following cases, the legal limitation periods apply instead of the one-year limitation period:

a)  
Liability for willful misconduct,

b)  
Fraudulent concealment of a defect,

c)  
Claims for injury to life and limb and damage to health caused by Seller's negligent breach of duty, or by wilful or negligent breach of duty on the part of Seller's legal representative or vicarious agent,

d)  
Claims for other damage caused by Seller's grossly negligent breach of duty, or wilful or grossly negligent breach of duty on the part of Seller's legal representative or vicarious agent,

e)  
in the event of a Buyer's recourse claim based on consumer goods purchasing regulations.

## **9. Liability**

Seller shall be generally liable for damages in accordance with the law. In the event of a simple, negligent violation of fundamental contractual obligations, however, Seller's liability shall be limited to compensation for typical, foreseeable losses. In the event of a simple, negligent violation of non-fundamental contractual obligations, Seller shall not be liable.

The foregoing limitations on liability do not apply to damage to life, body or health.

## **10. Set off**

Buyer may only set off claims from Seller against an undisputed or adjudicated counterclaim.

**11. Retention of title**

(1)

The SELLER shall retain full title of the goods that have been delivered until the BUYER has discharged all claims arising from the business relationship which shall include any account balance and claims from refinancing or reverse promissory notes.

(2)

The BUYER shall have the right to dispose of the goods delivered by the SELLER within the ordinary course of business. The authority granted hereunder shall cease in the cases referred to in § 4 (5) above. Moreover, the SELLER may withdraw the sales authority of the BUYER through written notice if it shall be in breach of any obligation owed to the SELLER and shall in particular be in payment default or the SELLER shall become aware of other incidents that give rise to doubts about its creditworthiness.

(3)

The BUYER's right to process the goods delivered shall also be subject to the limitations set out in subsection (2) above. The BUYER shall not acquire title to the fully or partly processed goods; the processing shall be free of charge for the SELLER'S benefit as Manufacturer in the sense of § 950 of the German Civil Code. If the SELLER should, for whatever reason, lose its rights under the retention of title, then it is hereby agreed between the SELLER and the BUYER that the SELLER shall acquire title upon processing of the goods and the BUYER shall remain custodian of the goods which shall be free of charge.

(4)

If the goods in which the SELLER has retained title shall be inseparably assembled or mixed with goods that are third party property, then the SELLER shall acquire co-title in the new goods or the mixed stock. The proportion of title shall follow from the proportion of the invoice value of the goods delivered by the SELLER under retention of title and the invoice value of the other goods.

(5)

Goods in which the SELLER shall acquire sole or co-title in accordance with subsection (3) and (4) shall, the same as with regard to the goods delivered under retention of title according to subsection (1) above, be regarded as goods delivered under retention of title for the purposes of the following paragraphs.

(6)

The BUYER hereby assigns to the SELLER all claims arising from the resale of the goods delivered under retention of title. Such claims shall also include claims against the bank which, within the scope of such sale, shall have issued or confirmed a letter of credit for the benefit of the BUYER (=RESELLER). The SELLER hereby accepts such assignment. If the goods delivered under retention of title shall be a processed good or a mixed stock, where, in addition to the goods delivered by the SELLER, only such goods exist that are either the BUYER's property or a third party property as a result of a (simple) retention of title, then the BUYER shall assign all of the claim arising from the resale. In the other case, i.e. in the event of a conflict between pre-assignment claims by other suppliers, the SELLER shall be entitled to receive any resale proceeds on a pro rata basis which shall be determined in proportion to the invoice value of the SELLER'S goods and the other processed or mixed goods.

(7)

Where the SELLER'S claims shall be undoubtedly be secured through the assignment and retention by more than 125 %, any surplus of receivables and/or good delivered under retention of title shall, upon demand of the BUYER, be released in accordance with the SELLER'S choice.

(8)

The BUYER shall be authorised to collect any receivables arising from the resale of goods. Such authority shall cease to exist in the event that there shall no longer be an ordinary course of business as defined in § 4 (5) above. Moreover, the SELLER may withdraw the BUYER'S authority to collect, if it shall be in breach of any obligation owed to the SELLER and shall in particular be in payment default or the SELLER shall become aware of other incidents that give rise to doubt about its creditworthiness. If the above authority shall cease to exist or be withdrawn by the SELLER, then the BUYER shall upon the SELLER'S demand immediately specify to the SELLER its debtors in the claims assigned and provide the SELLER with all information and documentation necessary for collection.

(9)

In the event of any third party action against the SELLER'S goods delivered under retention of title or any receivables assigned to the SELLER, the BUYER shall notify such party of the SELLER'S property/the SELLER'S right and immediately inform the SELLER about such action. The BUYER shall bear the costs of any intervention.

(10)

If the BUYER shall be in breach of contract, in particular in payment de-fault, then it shall, upon the SELLER'S demand, immediately return to the SELLER all goods delivered under retention of title and assign to the SELLER any repossession claims against any third party in conjunction with such goods. Any repossession or enforcement proceedings with regard to the goods delivered under retention of title shall not be regarded as a rescission of this agreement.

(11)

In the cases referred to in § 4 (5) above, the SELLER may require the BUYER, to inform the SELLER about the claims arising from the resale that have been assigned to the SELLER in accordance with § 11 (6) including its debtors. Following such information, the SELLER shall have the right to disclose the assignment as the SELLER considers appropriate.

**12. Place of payment/performance:**

(1)

Regardless of the place of delivery of goods or documents, the place of payment shall be Seller's place of business.

(2)

The place of performance for deliveries shall be the place of destination.

**13. Final Provisions:**

(1)

For the SELLER'S benefit, the courts of Remscheid shall have jurisdiction over all disputes arising from this Agreement.

(3)

The laws of Germany shall apply. International purchase laws shall not apply. This shall, in particular, refer to the UN Convention (CISG) on the International Sale of Goods.

(4)

The invalidity of any provision of this contract shall not affect the validity of the other provisions.