



General sales terms and delivery conditions

I. Scope, offer and order

1. The Jahn GmbH (in the following “JAHN“) sells and supplies exclusively to the following general sales terms and delivery conditions. The sales terms and delivery conditions of the buyer contrary to or differ from these ones of JAHN will be not accepted, regardless of the way these sales terms and delivery conditions are connected to the contract, unless JAHN has accepted the differing conditions in writing. These sales terms and delivery conditions are valid also in the case that JAHN has knowledge about the deviating conditions of the buyer and provides deliverables to the buyer without any reservation.
2. These general sales terms and delivery conditions are valid only for entrepreneurs, legal entities of the public right and public special estates in the sense of § 310 section 1 of the German Civil Code.
3. These general sales terms and delivery conditions are valid also for all future businesses with the buyer as far as it concerns legal transactions of related kind.

II. Offer, offer documents and contract conclusion

1. JAHN’s offers are subject to change and not-binding, unless such offer is explicitly indicated in writing as binding one. The supply contract as well as any changes, special agreements and other agreements become effective only by written confirmation of JAHN. Verbal explanations become likewise only effective by written confirmation of JAHN. Offers or confirmations submitted by fax or electronic data communication are equal to the documents in the written form.
2. For the quantity, kind and quality of the trade receivables of JAHN the order acknowledgment in writing is decisive. Other data and information contained in the quotations are obligatory only by prior written confirmation by JAHN.
3. Drawings, models and data in other documents shall only be approximately guiding unless they are expressly stipulated by JAHN as binding. Production determined deviations or deviations due to technical progress are permitted in the framework of accepted practise in the industry. For descriptions in drawings, models or other documents in no guarantee given.



III. Copyright and other rights

1. JAHN reserves, unless otherwise agreed, ownership and copy rights to all documents e.g. samples, drawings, plans, illustrations, offers, etc. handed over to buyer. These documents may not be used for other purposes than contractually agreed, multiplied, made accessible for third party or put otherwise in circulation. They are to be returned on demand of JAHN at any time.

The buyer is not entitled to make products of JAHN accessible to third party or put them otherwise in circulation. Furthermore, the buyer is not allowed to copy the products of JAHN as well as let them copy by third party. Also placing of any indications, which may be evaluated as marks of origin or seem to be products of the buyer or a third party, are not permitted. In the event that of a breach of this obligation JAHN is entitled to claim damages.

JAHN is entitled to refer on its products in an appropriate way to JAHN. The buyer can refuse its acceptance only if he has an overriding interest.

2. If JAHN manufactures on behalf of the buyer according to submitted drawing, models, samples or other technical information, the buyer takes over the guarantee that thereby patent rights of a third party are not injured. In the event of that third party, referring to proprietary rights prohibits in particular the manufacturing and delivery of such items, JAHN shall be entitled to suspend all relevant activities and to claim damages without being obliged to analyse legal situation. With delivery of such drawings, documents, etc. the buyer releases JAHN from all claims of a third party in this connection.

IV. Supply according to customer's request, final drawing and tools

1. It is sufficient for the contractual obligation if JAHN manufactures and supplies according to customer's request or according to a customer draft and/or – drawing or other customer data without any obligation for JAHN to examine these data in any way. Therefore final drawing provided by the buyer does not require the examination and permission of JAHN. If reworking is necessary for parts manufactured in such a way, JAHN is only obliged to do it if the buyer confirms payment of all arising rework costs, which were previously announced.
2. Tools and devices are only pro-rata and they remain exclusive property of JAHN.
3. Quality samples and functional models for release authorisation will be delivered upon buyer's requests or in case that JAHN considers it necessary. All changes and/or releases must take place in writing and/or be approved by the buyer. Changes, which are not represented by JAHN, shall be charged to the buyer.



4. In the case of orders, where the design of the part is not fixed, and only the final achievement and/or the final function is given, all costs for new samples resulting at the customer's end shall be beard by the buyer. The same refers to drawing and specification modifications.

V. Delivery volume, delivery time and delay

1. JAHN aims to supply the agreed order quantity. Partial deliveries are acceptable. The buyer commits himself to take the excess respectively short delivery up to 10% of the ordered quantity or the manufacturing lot. Clearing of respective calls of the order and/or remaining quantity shall take place at the effective delivery volume.
2. The deliver deadline shall commence with the dispatch of the final order confirmation, however, not before necessary documents, releases material and other obligatory documents have been provided to JAHN. The delivery date shall be deemed to be met, if by that date JAHN has informed the buyer that the goods are ready for dispatch or they have actually left JAHN's production site.

JAHN's obligation to supply extends at least at this time period, when the buyer is behind with the fulfilment of the conditions specified above, respectively at several times over this time of period, if immediate abolishment of the interruption caused by the buyer is not possible due to otherwise machine scheduling. The delivery time is also prolonged adequately in case of the occurrence of unforeseen obstacles which are beyond JAHN's control, e.g. in case of major force and also in such cases like breakdown, wrong manufacturing, scrap manufacturing, strike or lock-out by JAHN or by JAHN's suppliers or similar, and if these obstacles affects the manufacturing processes in the provable way.

If the extension of the delivery time is unacceptable for a buyer in a verifiable way, he is entitled to withdraw from the contract after the unsuccessful expiration of the period of grace of minimum 3 weeks. Further claims of the buyer are excluded. Independent of this fact, the buyer is obligated to pick and pay for the products which were manufactured till the time of the contract cancellation.

3. In case of unforeseen obstacles, if they substantially change the economic meaning or content of the output or also affect the facility of JAHN and/or its suppliers and in the case of later occurred reasons for not-fulfilment of the contractual commitments with no default of JAHN or with its minor negligence, JAHN has the right to withdraw from the contract if JAHN is not able to fulfil its contractual commitments.



If JAHN intends to make use of the right to withdraw from the contract, JAHN has to communicate this immediately to the buyer after recognizing of the consequence of the event, also in the case that an extension of delivery time has been agreed with the buyer previously. Claims for damages of the buyer or other legal consequences because of such a withdrawal are excluded.

4. For call orders, the full order quantity must be picked within the agreed total period of time; otherwise JAHN is entitled to send to the buyer not called products – also unfinished goods as well as special material – and to invoice them. The buyer is obligated to pick the goods and to pay for the commodity.

In the case that special reduced price due to the total contract quantity is granted to the buyer, referring to order of any kind but especially to the delivery contracts, and the contracted quantity shall not be picked within the agreed period of time, JAHN reserves the right to align prices according to the lower quantities.

If the extension of time is agreed for the delivery of the remaining stock the new price has to be agreed if necessary. If the remaining quantity is not picked, JAHN reserves all rights from non-fulfilment of the contract. Special price reservations with multiple delivery contracts – see fig. VI.1 of these terms – remain unaffected.

5. If the delivery is delayed by buyer's request and the goods are stored in JAHN's facility, all storage costs will be charged to the buyer one month after announcing of the readiness of shipment, but not less than 2% of the invoicing amount per month.
6. If the buyer comes into default of acceptance or if he breaches culpably other obligations to co-operate, JAHN is justified to claim the caused damage. This is also subject to further claims.
7. JAHN is liable according to the legal regulations in case of the delayed delivery due to deliberate intention or through gross negligence. If delayed delivery is not based on JAHN's deliberate breach of contract, the liability for damages is limited to value of the scope of delivery.



VI. Price and payment

1. Except as otherwise noted in the quotation, the prices in EUR do not include VAT and transport costs. Up to value of goods of 5.000 EUR the postal charges as well as packaging costs are for buyer's account. Starting from 5.000 EUR value of goods JAHN's delivery terms include postal charges and packaging costs, except as otherwise noted in the contract. By deliveries and services fulfilled later than three months after quotation submission or contract conclusion, JAHN reserves the right to charge additional costs resulting from salary, material or other costs increase as well as energy prices increase. This is valid in particular with multiple delivery contracts.
2. In default of special agreement the payment is to be made within 30 days starting from invoice date. By payments within 14 days - under the condition of the payment receipt within this period - JAHN grants 2% discount payment if this was agreed before explicitly. The discount may be granted only under the condition that all liabilities to pay resulting from the former invoices are completely fulfilled. Invoice amounts under 500.00 EUR are to pay without deduction. JAHN is not obligated to accept bills. Negotiation of a bill cannot guarantee discount. Any bank charges are for buyer's account.
3. It is excluded to withhold payments or set-off any counterclaims, which are neither accepted by JAHN nor finally established. If agreed payment is made later, the interests at a value of eight percent points over the basis interest rate p.a. will be charged subject to assertion of further claims without setting any period of time. Nevertheless, JAHN reserves the right to for assertion of higher damage for delay.

As long as due demands are not settled by JAHN, JAHN is not obligated to further supply resulting from any current contract. In this case any reminder from the buyer, after the deadline set by JAHN during the non-delivery period, is not binding. JAHN reserves also the right for further claims.

4. By small-volume purchases up to 2.000 pieces JAHN is justified to raise additional costs of at least 30%.
5. Payments shall only discharge the obligation if made directly to JAHN. Payments to employees or representatives of JAHN shall only discharge the obligation if these persons have collecting power.
6. By partial deliveries the buyer bears the arising expenses.



VII. Passing of the risk and acceptance

1. The risk of the accidental loss or accidental deterioration of the products passes to the buyer with the shipping of the goods ex works at the latest, also in case of partial delivery, even if JAHN has to take over other contractual services, like e.g. delivery costs or cartage. JAHN is entitled to close shipping contracts on behalf of the buyer as well as choose the transport route. If there is any delay in shipping due to circumstances, which JAHN is not responsible for, then the risk passes to the buyer starting from the day of readiness of shipment.
2. If the buyer is in default of acceptance or if he violates other duties to cooperate, the risk of accidental destruction of goods passes on the buyer in this time, when the buyer is in default of acceptance or of the debtor.
3. Goods that have already left the facility must be accepted by buyer irrespective of the rights resulting from fig. X, even though minor defects have been noticed.

VIII. Packaging

1. JAHN reserves the right to select the packaging in each case.
2. Pallets, containers and other returnable packaging remain the property of JAHN and are to be sent immediately at the buyer's expense back to JAHN's facility. Non-returnable packaging shall not be taken back and they shall be charged for separately.

IX. Retention of title

1. Until payment in full of all receivables resulting from the business relationship between JAHN and the buyer, the delivered goods remains the property of JAHN ("retained goods"). This is also valid, even if single receivables or all receivables are brought to a current account or the balance is drawn and recognized. This is also valid for all future deliveries even if JAHN does not refer explicitly to this fact.
2. The buyer is entitled to resell the retained goods according to common business conditions and to the business dealing. If the buyer sells the retained goods without receiving from his buyer the full amount in advance or partial payment, he has to agree with his buyer retention of title according to these conditions.



The buyer assigns his claims already now, which arise for him from selling of the retained goods to buyer or any third party, in the amount of with JAHN agreed invoice total amount (including value added tax) as well as claims resulting from agreed retention if title and JAHN accepts the assignment. This assignment is valid regardless of whether the sales items have been sold without machining or after the machining.

Notwithstanding this assignment and the collection rights of JAHN the buyer shall be entitled to collect as long as he meets its obligations to JAHN and his financial situation does not deteriorate. The buyer has to give the necessary information on demand of JAHN regarding the assertion of the rights of JAHN against the customer as well as hand out documents and communicate the assignment to the customer.

3. The machining and transformation of the retained goods by the buyer always takes place in the name and on behalf of JAHN, without any obligations for JAHN. In this case the expectant right of the buyer at the retained goods continues at the transformed goods.

If the buyer acquires the sole property at the new goods through processing, assembly, or mixing of retained goods with other goods, then JAHN acquires co-ownership at new goods in the relationship of the value of retained goods to the other goods at the time of processing, assembly or mixing. If the mixing takes place in the way, that the product of the buyer is to be regarded as main product, the parties agree to pass the co-ownership pro rata to JAHN.

In all cases the buyer keeps the new product free of charge for JAHN. The rules during further sale (in accordance with paragraph 2 of this figure) are valid accordingly in the amount to the retained goods value.

4. The buyer is obligated to treat the retained goods carefully e.g. by suitable storage and regular inspection. In particular he is obligated to insure goods at his own expense against theft, fire and water related incidents as well as other damages. The insurance claims are valid in the amount of value of retained goods as assigned to JAHN. If maintenance or inspection works are necessary, the buyer is obliged to arrange them on time at his own expense.
5. The buyer has to inform JAHN immediately in writing about law enforcement measures of third party referring to retained goods as well as assigned claims in advance and other adverse effects. The buyer obliges himself after consultation with JAHN to undertake all actions needed in order to avert the endangerment. The buyer is obliged to compensate all damages and costs, including attorney's fees and court costs, which arise by JAHN due to intervention measures against actions of third party.
6. If the liability of a bill of JAHN is reasonable in the connection with the purchasing price, then the retention of title as well as respective demands arising from the delivery shall expire not till discharge of the bill by the buyer as the drawee.



7. If the value of the assurance exceeds the demands of JAHN more than 20%, then JAHN will release the assurance on demand of the buyer according to his own choice.
8. By buyer's conduct contrary to the terms of the agreement, in particular concerning late payment as well as by application for opening of the insolvency proceedings about the assets or in the case that the buyer refuses to open the insolvency proceeding due lack of assets, he is obliged to return the retained goods under exclusion of any right of retention.

If the return of retained goods is required from the buyer, then – irrespective of other mandatory legal regulations - a cancellation of the contract is only existent, if JAHN declared this expressly in writing. In case of taking back of retained goods by JAHN the buyer is obligated to pay JAHN 15% of the delivery subject price as compensation for the costs incurred as well as the depreciation of the retained goods. The buyer reserves the right to provide evidence that there has been no damage or only minor damage. JAHN reserved the right to provide evidence that a major damage has occurred.

9. Provided that due to mandatory legislations of the respective state a retention of title in the sense of this fig. IX 1-7 cannot be agreed upon with the same effect as in the German right, these legislation provide though different rights for the protection of the demands from invoices of the supplier, then JAHN reserves these rights. The buyer is obligated to participate in each action that shall protect JAHN's property law or other right referring to the retained goods.

X. Notices of defect and warranty for defects, warranty, recourse/regress

1. The buyer has to submit a notice of defect immediately in written form, at the latest within one week after receipt of the goods at the place of destination, as long as it is in the delivered condition, and to describe precisely the defects. In case of latent defects the notices of defect has to be submitted immediately, at the latest within of one week. If the buyer does not notify the defects within the aforementioned period or in the agreed form, the goods shall be deemed as free from defects.
2. It is warranted that the supplied goods shall meet the agreed technical specifications. A warranty for adequacy of the supplied commodity for the intended purpose shall be assumed only after prior expressly agreement. The compliance with technical requirements and specifications due to laws or other regulations or official arrangements outside of the Federal Republic of Germany is warranted only in the case that the buyer has stated these regulations expressly as the part of the contract.
3. The period of limitation for requirements for defects amounts to 12 months starting from effected delivery by JAHN or starting from announcement of the readiness for shipment by JAHN.



4. The period of limitation is restrained for the duration of the time necessary for the supplementary performance. It does not begin again.
5. By occurring of any material defect within the period of limitation, whose cause was already known at the time the passing of the risk, JAHN shall improve this defect as supplementary performance of its own choice or will supply substitute. There shall be always an opportunity for JAHN to give supplementary performance within an appropriate time of period. Contribution claims shall remain unaffected from the regulation hereinbefore.
6. The requirements of the buyer's referring to supplementary performance, in particular transportation, way, work and material costs, are excluded, as far as the expenditures increase, because the goods supplied by JAHN was later passed to another place than the place of delivery, unless, this transfer corresponds to intended use of the goods.
7. The warranty for defects expires, if the goods have been changed by others or by the assembly of parts of strange origin, unless the defect does not stand in the causal connection with the changes.
8. Claims on account of defects do not exist in case of only minor deviation from the quality agreed upon, in case of merely minor impairment of usability, in case of natural wear and tear and in case of damage resulting from incorrect handling. From passing of the risk in accordance with section 446 and 447 of the German Civil Code JAHN is not liable for changes of the condition or of the features of the products caused by incorrect storage or maintenance, unsuitable operating materials as well as climatic influence or other influences.
9. Statutory recourse claims of the buyer against JAHN shall apply only in so far as the buyer has not made any agreements with his customers that go beyond the statutory claims of defect.
10. If subsequent performance of the contract fails, the buyer may withdraw from the contract or reduce the level of payment. If only one part of the supply is defective, then the buyer is entitled to withdraw from the contract only due to the defective supply unless the partial delivery is not usable for him.
11. The buyer can demand compensation for damages or compensation for futile expenses solely in case of breach of supply obligation made intentionally or by gross negligence. He has to prove the cause and the amount of damage. The same is valid referring to futile expenditures.
12. If a notice of defect proves to be unjustified, then the buyer is obligated to refund all expenditures, which resulted to JAHN from this notice of defect.
13. The agreement about a warranty must be in written form. A guarantee bond requires for its effect the sufficient definition of contents of the warranty as well as the duration and the area of application.



14. For legal defects, which are not founded on the injury of protection rights of a third party, the regulations of this fig. X are valid accordingly.

XI. Liability for breach of duty in all other respects

Without prejudice to the regulations over the failure to deliver and the warranty as well as other special regulations met in this contract the following is valid in case of breach of duty of JAHN:

Liability is excluded unless it refers to damages as the result of intent or gross negligence caused by the legal representatives of JAHN, managing executives or various agents, by culpable injury to life, body or health, and/or in the case of the assumption of a guarantee or a procurement risk, or in case of any culpable violation of fundamental contractual obligations. In latter case the liability is limited to the height of the scope of supply.

JAHN shall not be liable especially for lost profit or other assets as well as damages not affecting the goods themselves.

XII. Assignment, offset and retention

1. The buyer is not entitled to assign his claims against JAHN to a third party without prior written consent of JAHN, which may not be unreasonably withheld.
2. The buyer shall only be entitled to a right of set-off provided that his counter claims have been validly established. JAHN is entitled to set-off own claims against due receivables of the buyer.
3. The buyer is only authorized to exercise his right for retention, as his counter claim is based on the same contractual relationship. All claims result from the same contractual relationship, which have their legal basis in the same contract or call order, regardless of whether it concerns main claims or additional claims.

XIII. Confidentiality

1. The contracting parties undertake to treat as business secret all not obvious commercial and technical details which become known to them through the business relationship and not to pass this data to any third party.
2. All documents surrendered by JAHN, such as samples drawings; plans, illustrations, cost estimates and suchlike are to be treated with each necessary care and confidentiality. Such documents may not be passed on to unauthorized third parties or made otherwise disclosed. The duplication of such documentation is only permitted within the framework of the internal requirements and the copyright regulations. If the buyer culpably violates the aforementioned provisions, he shall be obliged to indemnify JAHN for all damages arising therefrom.



3. The buyer has to maintain secrecy for an unlimited period of time about this business relationship.

XIV. Contractual penalty

The buyer is obliged to pay a penalty in the amount of 1% of the order value, up to maximum, however, of 5% of the order value for every infringement of these obligations according to fig. XII.

XV. General provisions

1. This contract and the entire legal relationships between the parties shall be subject to the law of the Federal Republic of Germany under exclusion of the UN law of sale (CISG).
2. Place of delivery for all trade receivables resulting from this contract, also such from cheque or bill of exchange, in particular payments, the registered place of business of JAHN is Tambach-Dietharz.
3. The place of jurisdiction for all disputes arising from this contract shall be Meiningen. JAHN is also entitled to bring an action at the court with competence for the buyer.
4. The failure to assert, in whole or in the part, any rights from this contract or to assert such right belatedly shall not be constructed as a waiver of this or any other right.
5. The contract language shall be German. If documents are drafted in another language, then these are considered only as translation. If there are translation differences between the German and the foreign language, the German version is decisive in any case as original text.
6. If individual regulations of this contract are or become ineffective, the remaining provisions of this contract shall not be affected. The parties are obligated to replace the ineffective provision with an effective one which comes closest to the intended purpose. The same shall apply for the case that the contract shall contain an omission.

Tambach-Dietharz, July 2007