

# General Conditions of Sale of CVT GmbH & Co. KG No. CTD030404

## §1 Validity of Terms

1. Deliveries, works and quotations made by the Seller are made subject to the following conditions of sale.
2. By acceptance of the Seller's quotation, the Buyer agrees to these conditions of sales.
3. If any Seller's terms are at variance by the Buyer, the Seller's terms shall still become effective, even if the Seller does not contradict expressly. No variation of this contract shall bind the Seller unless first agreed in written expressly.

## §2 Quotation and Conclusion of Contract

1. Seller's quotations are binding unless they are expressly called free.
2. Any binding quotation of the Seller can be accepted by the Buyer in written within 1 month upon date of quotation. Any variation of quotation terms made by the Buyer or any delay of acceptance after the above mentioned deadline through the Buyer will not bind the Seller unless conclusion of this Agreement will be expressly confirmed in written by the Seller.
3. Any free called quotation of the Seller being accepted by the Buyer shall not bind the Seller unless and until it is acknowledged by the Seller in written.
4. All descriptive and technical specifications, drawings, illustrations, particulars of weights and/or dimensions and general literature relating to the quotation are intended only to present a general guide unless they are expressly called binding. The Seller reserves the right to property and copyright for any quotation, drawing and documentation; they may not be given to Third Party. Any documentation called confidential by the Buyer may not be disclosed by the Seller to Third without the prior consent of the Buyer.
5. The Buyer may not re-sell or export goods of the Seller without the prior written consent of the Seller. Any breach of this obligation committed by the Buyer deserves the right to the Seller to claim indemnity from the Buyer.

## §3 Terms of Payment

1. If not otherwise agreed, payments must be effected to the Seller within 30 days from date of invoice without any equity, set-off or counter-claim. The Seller shall be entitled to interest from the date upon which payment falls due. In this case interest shall occur 8% p.a. above European Central Bank's base interest rate. Non-compliance with the above terms of delivery shall constitute default without previous reminder

## §4 Delivery

1. Any agreed dates of delivery will become effective only if
  - a) all conditions of sales have been agreed in written by both parties
  - b) the Buyer has fixed all technical details and all obligations of the contract are fulfilled.
  - c) the Seller shall be entitled to withhold delivery of any goods if the Buyer is in breach of payment for previous contracts until default of payment will be eliminated.
2. Any determined day of delivery agreed in this contract will be delayed unless payment will have been effected.
3. If the Seller is prevented from delivering goods at the time provided, by reason of any cause outside its reasonable control ( plant breakdown, interference by labour-strikes or lock-outs or non-availability of transport or materials), the period of delivery shall be deemed extended accordingly. The Seller shall be entitled to extend the period of delivery accordingly if
  - a) any official permits or documentation needed to effect delivery will not be given in time
  - b) the Buyer has changed the order afterwards.
4. The Seller deserves the right to effect part shipments and partial services.

## §5 Passing of risks

Risk of loss and/or damage to the goods shall pass to the Buyer on delivery even if delivery free-domicile has been agreed. If delivery is delayed due to reasons caused by the Buyer, the risks pass to the Buyer on the expiring of 3 days from the date of notice made by the Seller to the Buyer.

## §6 Ownership

1. The Seller remains owner of the shipped goods until all claims are fulfilled to which the seller is entitled by law against the customer now or in the future.
2. If the Buyer is retailer he or she is entitled to resell these goods, ownership provided, in orderly business fashion. In this case the Buyer relinquishes claims from the resale of the goods up to and to secure the amount of still outstanding claims. In case of delay of payment and when asked the Buyer is obliged to name his/her Buyer to whom he had resold the goods and as far as those have not been paid.
3. Mortgaging or security transfers are not permissible. With access of third parties to the proviso goods, especially seizures, Buyer must point out the ownership of the Seller and report to the Seller immediately so that it can execute its ownership rights. The Buyer is liable for legal and out-of-court expenses if and when the third party is unable to repay expenses to the Seller.

4. Should the Buyer violate the contract – especially with delay of payment – the Seller is entitled to take back to proviso goods or to demand the transfer of the Buyer's restitution claims against third parties. Taking back the goods as well as mortgaging the proviso goods through the Buyer does not entail cancellation of the contract.

## §7 Warranties/Liability

1. The Seller guarantees that his goods are free from any right of any Third Party especially from any German protective right. Where the goods are made by the Seller to the specific instructions of the Buyer, the Buyer guarantees that the goods and manufacturing process are free from any right of any Third Party-
2. The Seller will not be liable for
  - a) any false instructions made by the Buyer
  - b) any improper use of the goods
  - c) any improper installation
  - d) any false treatment, neglect overloading, unsuitable lubricants, chemical, electric-chemical or electrical influences as far as the do not attribute to a Seller's fault.
  - e) improper alteration or repair by the Buyer.
3. Buyers must inspect the shipment for transportation damages and other obvious defects immediately upon arrival. In case of transportation damages the Buyer is obliged to send a damage and loss report to the Seller immediately. Furthermore, obvious defects must be reported in writing to the Seller immediately, the very last within two weeks. Defect shipments must be kept ready for inspection by the Seller in the condition when the defects were determined or send back to the seller. Violation of these obligations will exclude warranty claims regarding obvious defects and transportation damages.  
Freight charges will have to be paid
  - a) by the Seller in case of real faultiness
  - b) by the Buyer in case of flawlessness or in case of non-warranty of the Seller according to Clauses §6, item 2. In this specific case the Buyer is to collect the goods sent to the Seller on his own charges and risks. Real faulty goods which are sent back to the Seller shall re-become property of the Seller upon receipt of these goods.
4. In case of faultiness, the Seller is to repair the faulty goods or to deliver a faultless replacement part to the Buyer. The replacement part benefits of the same Seller's liability as the product initially sent to the Buyer the costs of the finishing touches are to be paid by the Seller. If the Seller despatches a faultless replacement part, he is allowed to call for re-sending the faulty part. In case of excessive costs the Seller is allowed to deny finishing touches. If the Seller fails to realize finishing touches after 2 trials or if the Buyer is denying finishing touches, the Buyer is allowed to withdraw from contract or to reduce the purchase price.
5. The liability of the Seller is unlimited for
  - a) any personal injury caused by any negligent or willfull breach of duty.
  - b) any damages relating to the product liability laws
  - c) any damages caused by any negligent or willfull breaches of duty.
  - d) any damages caused by simple negligence, as far as this negligence relates to any breach of contract duties the compliance of which is mainly required (cardinal duties). The Seller however only relies for any damages referring typically to the contract and that can be foreseen. The Seller is not liable for any simple negligent breaches referring to any unessential part duties. As far as the Seller has given any warranty referring to quality and/or durability his liability also refers to this warranty. The Seller is only liable for any damages that although not affecting the goods themselves but expressly refer to negligence of quality and durability and only if the risk of such damages is being kept by the quality and durability warranty. Any further warranty is to be denied regardless of any legal nature of the claim prevailed.
6. Any claim for damages and liability made by the Buyer will expire 1 year from date of delivery if no otherwise predicted by law.

## §8 Place of fulfillment, Legal Domicile, Governing Law

Seller and Buyer herewith expressly confirm

1. place of fulfillment will be the headquarters of the Seller
2. legal domicile will be the court of competent jurisdiction of the Seller's headquarters. This refers to all objects of agreement, also to credit and cheque cases.
3. The German Governing Law will be applied to all objects of agreement and any conflicts relating to these objects with the exception of the standardized UN Right to Purchase.

## §9 Binding Forces

1. In case of any inoperativeness of single chapters or items of this contract, the Contract continues to be existent.
2. The Parties to the Contract commit to replace the inoperative rule by a new most economical rule.