

General Sales Terms

I. Area of Applicability

- The following general sales terms are applicable exclusively to all contracts with our customers. The customer recognizes the terms as binding for the present contract and also for all future business transactions. Deviating sales terms presented by the customer that we have not explicitly recognized in writing are non-binding for us. They will also not become terms of the contract by way of our silence or if we deliver without protest.
- We must confirm all deviating agreements in writing.
- Our general sales terms are applicable only to companies as defined by section 14 of the German *Bürgerliches Gesetzbuch (BGB)*.

II. Contract Closure

- Our quotations and proposals are binding only when we have explicitly expressed their binding nature in writing.
- We can accept our customers' orders within four weeks. A contract arises only when we have confirmed the order in writing.

III. Prices

- Assuming that our order confirmation does not express anything to the contrary, our prices are understood as ex works, including loading at the factory, but not including packaging. From a technical production perspective, it cannot be foreseen whether it will be possible to manufacture exactly the ordered quantity in the required quality. We therefore reserve the right to over-deliver or under-deliver by as much as 10 %. The invoice will reflect only the actual quantity delivered.
- Our prices are fixed prices only when this is explicitly agreed. In any other case, we reserve from the customer the right to increase prices in correspondence with cost increases that appear due to new pay agreements, increased operational and material costs, or any other cost increases.

IV. Delivery Time

- The deadlines and dates we specify are only approximations.
- If conditions beyond our control or responsibility (such as subsequently appearing difficulties in material procurement, strikes, lock-out, lack of personnel, obstruction or impedance of the travel routes, etc.) make delivery of the product or service substantially more difficult, we are entitled – even when the specified obstructions occur at our suppliers – to delay delivery by the duration of the obstruction plus a reasonable re-start time or to withdraw from the contract without requiring us to compensate for damages.
- If we fall into delivery default as defined by section 286 of *BGB*, the customer can demand damage compensation in place of delivery only when he has granted us an appropriate extension and this extension deadline has passed without delivery.
In the event of default and impossibility of delivery for reasons that fall under our responsibility, claims for damage compensation will be limited to the effect that the customer will be entitled to a damage compensation claim in the amount of the foreseeable damage only if we caused the default or the impossibility in a grossly negligent manner. Damage compensation liability is not possible in the case of simple negligence.
- The observance of our delivery obligation is conditioned upon the customer's timely and proper fulfillment of obligations.

V. Transfer of Risk

The risk of accidental destruction and accidental deterioration of the product is transferred to the customer when the product leaves our warehouse or delivery center, respectively. This is also applicable if we agree to deliver on the basis of "free at delivery location" or other bases.

VI. Payment Terms

- If nothing else is explicitly agreed in writing, all payments must be executed within 30 days after settlement date and submission of an invoice or an equal schedule of charges. If the time of submission of the invoice or an equal schedule of charges is uncertain, the customer will be in default 30 days after settlement and receipt of the delivery at the latest.
- The customer is entitled to set off charges or retain payment only when his counterclaim is unchallenged or legally stipulated. The assertion of the right of retention requires also that the counterclaim be based upon the same contractual relationship.
- If the customer falls into payment default, we are entitled, without providing documentation of damages, to request default interest of 8 % above the basis interest rate quoted by the German Federal Bank. If we are able to document higher default damages, we will be entitled to assert these.
- If our customer does not fulfill his payment obligations, especially if a check or draft from him or the payer is not honored, the customer ceases his payments, or if we become aware of other circumstances that call his creditworthiness into question (such as foreclosure on the customer's assets, petition to swear an affidavit, etc.), then we will be entitled to request immediate payment of the remaining debt, even to the extent that drafts with a later due date are outstanding. In this case, we will be obligated to make additional deliveries only after the customer has paid the full outstanding amount or has provided a guarantee for the amount.

VII. Guarantee

- The *Untersuchungs- und Rügepflichten* [investigative and reprimand obligations] defined in sections 377 and 378 of the German *Handelsgesetzbuch (HGB)* are applicable to our customers without limitation. In addition, the customer must always notify us in writing of hidden defects within six weeks of receiving the product.
- We are entitled to inspect the reported defects within an appropriate time period.
- If the customer infringes upon the aforementioned obligations, he will lose all rights to the guarantee.
In addition, claims of defect can no longer be asserted against us if the customer has resharpened or permitted resharpening by a third party of the knife/knives delivered by us without our explicit approval of the individual instance.
- In the case of justified complaints of defects, we are entitled to perform our choice of replacement delivery, improvement, or reimbursement of the decrease in value. We will bear the expenditures associated therewith, especially transportation, travel, work, and materials costs, only to the extent that these do not increase because the product has been moved to a location other than the original delivery location. The customer will be responsible for the costs that increase for this reason. If the replacement delivery (subsequent fulfillment) fails or if it is not performed within a reasonable time period or if it is refused, then our customer will be entitled to his choice of withdrawal from the contract or a lowered purchase price.
- More extensive claims, particularly those related to damage compensation, exist only:
 - regardless of the legal reasons, to the extent that we caused the damage in an intentional or grossly negligent manner or
 - to the extent that the damage results from the absence of an assured characteristic or the presence of a maliciously concealed defect.
 In every case, compensation claims exist only in the amount of foreseeable damage.

VIII. Reservation of Proprietary Rights

- The delivered product will remain our property until fulfillment of all of our claims against the customer (including all balance claims from open accounts).
- Processing or conversion of the product by the customer is always done for us as the manufacturer but connection will cause our ownership to expire without obligation for us, so it is agreed at this time that the customer's (partial) ownership on the uniform asset value will be transferred to us proportionally (invoice value). The customer will retain for us without compensation our (partial) ownership.
The customer at this time transfers to us for safety's sake the full extent of any claims (including all balance claims from open accounts) that may arise from the further sale of the product or any other cause in law (insurance, unauthorized handling) regarding the retained product. In the case of processing or connection, the transfer occurs only in correspondence with the proportion of our partial ownership.
We revocably empower the customer to collect in his own name on our behalf the claims transferred to us. This collection empowerment will be revoked only if the buyer does not properly fulfill his payment obligations. In this case, we may request that the buyer inform us of the transferred claims and their debtor, give us all information needed to execute collection, provide us with the associated documents, and inform the debtor (third party) of the transfer.
- In the event of culpable behavior contrary to the contract on behalf of the customer, especially default of payment, we will be entitled to take back the delivered product; the buyer is obligated to return the product. By taking back the delivered item, we are not withdrawing from the contract unless we would have declared this in writing. Seizure by us of the delivered item always results in withdrawal from the contract.
- The buyer must immediately inform us in writing of any seizures and any other interventions by third parties so that we may bring charges in accordance with section 771 of the German *ZPO*. To the extent that the third party is not able to reimburse us for legal and non-legal costs associated with the charge, the customer will be liable for the remainder incurred by us.
- We are obligated at the customer's request to release the collateral assigned to us if its value exceeds the claims thereby secured by more than 20% to the extent that these claims are not yet settled.

IX. Place of Performance, Jurisdiction, and Applicable Law

- The place of performance for all claims resulting from this contract is German postal code 71297, the municipality of Mönshheim.
- The present contract is subject to the law of the Federal Republic of Germany.
- The place of jurisdiction for all disputes resulting from this contract – assuming that our supplier is a registered merchant – will be the company's place of headquarters, currently German postal code 71297, municipality of Mönshheim. We are also entitled to charge the supplier in his general place of jurisdiction.

X. Final Stipulations

If a stipulation in these Sales Terms is or becomes ineffective, the validity of the remainder of the contract will not be affected. The applicable legal regulations will take the place of the ineffective stipulations.