

**Firma Hagulan Vliesstoff GmbH & Co. KG, Fulda**  
**General Terms of Business for Sales, Deliveries and Payments**

**1. Applicability:** All our supplies and services shall be provided on the basis of our general terms of business as stated below. Customers' terms of business that differ from ours shall not be binding on us unless we have expressly acknowledged them in writing.

**2. Prices:** Our invoices shall be payable within 10 days minus 2 % discount or net within 30 days of the invoice date.

**3. Interest on maturity:** Should the payment deadline be missed, then, without prejudice to more extensive claims to compensation for damages due to delay, we shall be entitled to charge interest on maturity at the rate of 8% p.a..

**4. Timing of supplies and services:** Delivery dates on periods shall be binding only if confirmed in writing by us. Delay in supplies and services occasioned by force majeure or by other obstacles to services outside our control (e.g. strikes, lockouts, official orders, or traffic delays) shall suspend our service obligation and shall not entitle the customer to make claims for damages. Should the obstacle to service have been foreseeable, our obligation to take all reasonable methods to prevent a threatened delay in delivery shall remain unaffected.

**5. Transfer of the risk:** The risk of accidental loss or of accidental impairment of the goods shall be transferred to the purchaser as soon as the goods, for the purpose of dispatch, have been handed over to the persons affecting their conveyance or as soon as they have left our warehouse for the purpose of dispatch. Irrespective of this, the risk of accidental impairment or of accidental loss of the goods shall be transferred to the purchaser if he goes into default of acceptance.

**6. Obligation to examine and notification of defects:** The goods supplied by us shall be examined by the customer, using the care of a prudent businessman, immediately upon their arrival at the place of destination. The customer shall notify us immediately, at the latest however within a foreclosure of one week, of any defects detected. If the customer fails to notify us the goods shall be deemed approved, unless in case of a hidden defect that was not recognizable even in the course of a thorough examination. If such a defect is revealed later notification shall be made immediately upon discovery.

**7. Claims for damages:** In case of justified and timely notification of defects (see Item 6.) we shall provide warranty, excluding further claims, by means of re-fulfilment (at our choice rectification of the defects or compensation delivery of non-defective goods). This shall only apply insofar as we are able to do so in the scope of our product capacities and insofar as the re-fulfilment is not connected with unreasonable costs. If we are not able to render re-fulfilment within a reasonable period of time or if we have to refuse re-fulfilment due to unreasonable costs, we shall the customer immediately. In this case or in case of failed re-fulfilment the customer – in case of the legal requirements otherwise apply – shall be entitled to certain rights stipulated in Section 437 No. 2 and 3 BGB (German Civil Code) (reduction of payment, compensation, withdrawal). Withdrawal shall be excluded if the defect concerned is relatively minor.

**8. Retention of title:** The delivered goods shall remain our property until they have been entirely paid for. The customer shall be entitled, within the context of his normal business activity, to effect onward sale of the goods to which title is retained. He now relinquishes to us his claims arising from such onward sale but, regardless of that relinquishment, he shall remain entitled to effect collections as long as he fulfills his obligations towards us punctually and does not verge on insolvency. Any adaptation or processing by the customer of the goods to which title is retained shall be considered as having been performed on our instructions, except that no liability shall arise therefrom on our part; accordingly, we shall also acquire title to the new goods arising from such adaptation or processing. In the event of processing together with other goods not belonging to us, we shall have part-title to the new goods in the proportion of the value, at the time of processing, of our goods where title is retained to the value of the other processed goods.

**9. Compensation:** We shall be liable for compensation – for any legal ground and the distribution of the burden of proof of Section 280 Paragraph 1 BGB (German Civil Code) on liability for neglect of duty notwithstanding – only in case of intent and culpable negligence, except in case of damage that are the result of neglect of a defect or non-fulfilment of warranted properties. In case of simple negligence liability is in such cases limited to the damage foreseeable at the time of the conclusion of the contract. The above limitations of liability pursuant to claims for damages resulting from violation of life, body and health as well as any imperative legal provisions, especially the product liability law shall remain unaffected.

**10. Place of fulfilment, court of jurisdiction, German Law:** The place of fulfilment shall be Fulda, Germany. Fulda is also agreed as the court of jurisdiction in the event of any disputes, subject to the provision that we shall also be entitled at our own option to bring an action at the place of the customer's head office or branch. German Law shall be exclusively applicable, excluding also the UN Sales Law.