

**- LORCH Sicherheitsventile GmbH & Co. KG Conditions and Terms of Sale 09/2014 -**

The following Conditions shall apply for all purchase contracts and contracts for work and services between us and our commercial contract partners (hereinafter referred to as: the Customer) as well as for all orders, even if we do not explicitly refer to these in individual cases. Deviations from these shall only be binding for us if we have explicitly confirmed this in writing. The Customer's purchasing terms and conditions shall not be binding for us, even if we do not explicitly object to these.

**1. Offer and conclusion of order**

Our offer remains non-binding with regard to the price, quantity, delivery data and possibility of delivery until the order has been confirmed in writing. Ancillary agreements shall only be effective if we have confirmed these in writing.

**2. Scope of delivery**

The scope of delivery is finalised in the confirmation of the order. For goods which are not catalogue items, a tolerance in the quantity of 10% more or less items is permitted.

**3. Delivery and delivery periods**

The delivery period commences when all details of the order have been confirmed, however not until the fulfilment of the Customer's contractual obligations. The delivery period shall be deemed to have been complied with if the goods have left the warehouse prior to its expiry, or, if dispatch is delayed for reasons for which the Customer is responsible, with the notification of readiness for dispatch within the agreed delivery period.

Compliance with the delivery period is conditional on correct and timely deliveries to us.

Partial deliveries which are in good time and in suitable quantities are permissible and can be invoiced separately.

If the fulfilment of our obligation for delivery is prevented by force majeure, labour disputes or other events which are not within our sphere of influence - regardless of whether these occur with us or our sub-suppliers - the fulfilment of our obligation for delivery shall be extended for the duration of the disturbance. If delivery is rendered impossible due to such an event, or is not reasonable for one of the parties, both parties shall be entitled to withdraw. In case of arrears or impossibility of delivery for which we are responsible, the customer shall be entitled to withdraw the order according to the statutory conditions. Art. 14 of these Terms and Conditions shall apply in the case of claims for compensation.

If dispatch is delayed at the wish of the customer, commencing one month after notification of readiness for delivery, the costs which are incurred due to storage, however at least 1% of the invoiced amount shall be invoiced to the customer.

**4. Prices**

All prices are ex stock plus the statutory VAT. The prices which are valid on the day of delivery apply. Packaging, loading costs, customs duties etc. shall be borne by the customer.

**5. Shipping**

Dispatch and shipping of the goods shall be at the account and risk of the customer.

**6. Transfer of risk**

The risk shall be transferred to the customer as soon as the goods have left our company. If the dispatch of the goods is delayed due to the customer, the risk shall be transferred with the notification of readiness for delivery.

**7. Terms of payment**

The invoiced amounts are payable in cash within 14 days after the date of the invoice with 2% discount of the net value of the goods, or within 30 days without deduction. Discounts may not be deducted for new invoices, as long as older invoices which are due for payment have not been settled.

In case of arrears or for the time of deferment of receivables, the statutory interest on arrears shall be charged, regardless of any further claims for compensation. If it becomes apparent subsequent to the conclusion of the contract that our claim for payment is endangered by lack of solvency on the part of the Customer, all of our outstanding invoices shall become due for payment immediately. In this case, we shall be entitled to make outstanding deliveries conditional on cash payment or the provision of a security. Any further statutory claims shall remain unprejudiced by this. Offsetting is only permissible with regard to undisputed or legally established counterclaims. The Customer is only entitled to exercise a right of retention if the claim is based on the same contractual relationship.

The same shall apply for the retention of payments.

**8. Reservation of title**

Goods which have been delivered remain our property until payment of all of our outstanding claims, including ancillary costs and interest. This shall also apply to the cashing of cheques for payment of such claims. In case of current accounts, the reservation of title is deemed to be security for our balance claim. Modification or processing of the goods subject to reservation of title shall be performed on our behalf, without this giving rise to any obligations for us.

In the case of processing, combination or mixing of our goods with other goods which are not our property, we shall be entitled to co-ownership of the new goods in the relationship of the invoice value of the goods subject to reservation of title to the value of the other processed goods at the time of processing, combination or mixing. If the Customer obtains the sole ownership of the new goods, he herewith transfers co-ownership of the new goods in the relationship of the other processed goods at the time of processing, combination or mixing and shall keep the said goods on our behalf with due business diligence.

Resale of the delivered goods, regardless of whether these are unprocessed, or have been processed, combined or mixed is only permitted in the normal course of business with reservation of title, and only then, if the claims resulting from the resale are ceded to us. The Customer is prohibited from pledging or transferring the goods as security, as is the agreement of a prohibition of assignment and an assignment without our consent in the context of factoring. The Customer shall inform us without delay in case of seizure or any other impairment of our entitlements by third parties. The Customer hereby assigns to us in advance, all claims to which he is entitled now or at a later date from the resale or for whatever legal reason with regard to the goods which we have delivered. We accept the said assignment. The value of the goods subject to reservation of title is our invoice amount plus a security surcharge of 10%, which however remains without effect if this is precluded by the rights of third parties. In the case of resale of our goods after processing, combination or mixing, or the resale of the new goods which result from processing, combination or mixing, the claim against the Customer's buyer shall be assigned to the amount of the invoice value of our processed, combined or mixed goods. This shall also apply in the case of resale after our goods have become an essential part of another good after combination or processing with other goods which are not our property. If the value of the securities which are provided to us exceeds a total of 10%, we shall be obliged to release securities of our choice if so requested by the Customer. With the payment of our claims, ownership of the goods subject to reservation of title and the assigned claims shall be transferred to the Customer. Until this is revoked by us, the Customer is entitled to collect the purchase price on our behalf. On demand, the Customer shall be obliged to notify the assignment to his buyer and to provide the necessary information and to surrender the documents which are necessary for us to enforce our claims against the said buyer.

**09. Liability for defects**

The warranty rights of the Customer are conditional on him having fulfilled his obligations for examination and complaint according to Art 377 HGB (German Commercial Code).

Increases or reductions in weight due to the casting process do not entitle the Customer to complaint. If the item being purchased is defective, we can remedy the defect or deliver a replacement, at our discretion. If we remedy the defect, we shall bear all expenses necessary to remedy the defect, especially the costs of transport, travel, work and material unless they are increased due to the fact that the item being purchased was taken to a place other than the place of performance. The Customer may withdraw from the contract or demand a reduction if after having been set a reasonable period of grace we fail to provide a subsequent delivery or correction, if correction has finally failed, if we refuse the said correction or if this is unreasonable to the Customer. If there is only an insignificant fault and the goods can be utilised by the Customer without disadvantage, he is only entitled to a reduction in the purchase price.

For new products, the warranty period is 1 year from the date of delivery. No warranty is assumed for used products. The period of limitation in case of a delivery recourse according to Art. 478, 479 BGB is not affected by the regulations of the two previous provisions. Compensation claims due to an injury to life, limb or health which are due to a fault, or according to product liability law are also not restricted by the aforementioned regulations. Other claims for compensation under warranty law are also not restricted by this regulation in the case of gross negligence, wilful action or breach of major contractual obligations. Clause 14 of these Terms and Conditions applies.

**10. Returns ...** which are not based on a legal claim shall be accepted, carriage paid, only with our express written consent. If, after inspection of the incoming goods, we determine that the merchandise is free of signs of use and that it is not older than one month (with respect to our delivery date), and that it can thus be accepted, we reserve the right to defray the associated costs by reducing the net merchandise value by at least 20%. In the event that a greater reduction proves necessary, we will come to terms with you.

**11. Catalogues**

Illustrations in our catalogues and brochures are not binding with regard to the design. We reserve the right to changes to the design, insofar as these is necessary for technical reasons and do not impair the purpose of the contract. Deviations from the specified dimensions and weights are permissible, if the said do not impair the contractual purpose and quality.

**12. Copyright**

We reserve ownership and copyright for catalogues, illustrations, drawings, samples and other documents. These may not be made accessible to third parties without our consent and must be returned to us immediately on demand. If an order which is placed with us on the basis of submitted drawings or models infringes against third party patent rights, design rights or trademarks, the Customer shall bear all responsibility for this and shall be liable to us for any claims for damages or loss of profit and shall indemnify us against any claims by third parties, unless he is not responsible for the infringement.

**13. General liability**

We shall only be liable in the case of wilful action or gross negligence. In the case of a breach of major contractual obligations we shall also be liable for simple negligence. Major contractual obligations are those, whose fulfilment enables the proper fulfilment of the contract and on whose fulfilment the purchaser may normally rely and does rely. Except for the case of wilful intent, our liability shall be restricted to damage which is typical for the contract and which is reasonably foreseeable.

The aforementioned limitation of liability shall not apply in the case of injury to life, limb or health and in cases of liability under product liability laws.

The Customer's claims for the compensation of expenses pursuant to Section 284 BGB are excluded to the extent that the claim for damages in lieu of performance is excluded pursuant to the foregoing provisions.

The aforementioned restriction of liability shall also apply in favour of our employees, bodies and other agents.

**14. Place of performance, place of jurisdiction, applicable law, miscellaneous.**

The place of performance for all claims arising from this contract is our registered office. The place of jurisdiction for all disputes with businessmen, legal entities under public law or special funds under public law, or with persons who do not have a general jurisdiction in Germany, is our registered office. However, we are entitled to bring an action against the Customer at the Customer's registered place of business. These Conditions shall be governed by the laws of the Federal Republic of Germany to the exclusion of the UN Convention of the International Sale of Goods (CISG).