

General Terms and Conditions of Carl Baguhn GmbH & Co, Hamburg ("CBH")

1 General

- 1.1 The conclusion of contracts and their execution are subject to these conditions only. Any opposing terms and conditions used by Customer are not being recognized.
- 1.2 Deviations are valid only if executed in writing.
- 1.3 Offers/quotes are always subject to confirmation.

2 Risk Distribution and Obligations of Care

Any objects to be made available by Customer for the execution of the task must be delivered to and collected from CBH for Customer's account and risk. They are being stored by CBH for Customer's account and risk and must be insured by Customer itself.

3 Price and Conditions for Payment

- 3.1 Prices are calculated net cash ex works, excluding value-added tax, procurement expenses, freight and packaging. Except to the extent that a fixed price has been expressly agreed upon in writing and the service is to be rendered within 4 months after the ordering date, CBH shall be entitled to raise its prices equivalently in the case of demonstrable increases in costs (e.g. wages, materials, public levies of any kind, prices of component suppliers etc.).
- 3.2 Price calculation is based on salvaged material remaining with CBH free of charge.
- 3.3 Unless stipulated otherwise, all amounts invoiced are due for immediate payment without any deduction.
- 3.4 During the progress of the services, CBH shall be entitled to invoice Customer for partial payments equivalent to the extent of services already rendered.
- 3.5 If Customer defaults on its payments and does not make up for the default within a reasonable time limit, or if circumstances are disclosed to CBH after conclusion of the contract which raise doubts concerning Customer's ability to pay or willingness to perform, CBH shall be entitled to revoke any period of grace granted and to request advance payment or security for the full contract value before continuing the services, or to rescind the contract and claim from Customer compensation for expenses incurred and services already rendered by CBH.
- 3.6 Customer is only entitled to withhold payments or declare a set-off with counterclaims to the extent that such counterclaims are undisputed or adjudged in a legally binding way.

4 Dates and Time Limits

Dates and time limits for performance of the services are only mandatory if expressly agreed upon in writing. They are deferred (extended) for the duration that Customer fails to perform completely any required contributory activities.

5 Warranty and Liability

- 5.1 Warranty claims against CBH for defects in products supplied or processed by CBH shall become time-barred

one year from the delivery date. In other respects, the statutory rules for warranty claims shall apply, with the proviso that damages may only be claimed under the prerequisites outlined in 5.2 below.

- 5.2 CBH is liable to the statutory extent for claims under the German Product Liability Act (Produkthaftungsgesetz) and for damages of the following nature and/or causes:

5.2.1 impairment of life, corporal integrity, or health

5.2.2 breach of primary contractual obligations

5.2.3 breach of other contractual obligations, to the extent that such breach is caused by intentional or grossly negligent behaviour by directors or senior executives of CBH or by intentional behaviour of auxiliary persons.

Except as outlined above, all and any liability of CBH is excluded.

6 Retention of Title

- 6.1 Until all of CBH's claims against Customer are settled (including, where applicable, a balance from a current account) the merchandise shall remain the property of CBH ("Reserved Goods"). Any processing or modification shall be effected on behalf of CBH as legal producer. In case of a conjunction or mixture of Reserved Goods with other goods, the property in the new product or the compound shall pass to CBH equivalent to the Reserved Goods' value percentage.
- 6.2 Customer is authorized to process or sell the Reserved Goods in its ordinary course of business. The pledging of Reserved Goods as collateral or their transfer for security purposes are prohibited. Customer herewith cedes and assigns in full to CBH for security purposes all claims that arise in place of the Reserved Goods, resulting from a sale or for any other legal reason (insurance, tort damages). CBH authorizes Customer revocably to collect the claims assigned for the account of CBH. This authorization shall lapse if Customer does not comply fully with his payment obligations.
- 6.3 Customer shall keep the Reserved Goods safe free of charge. In case of attempts by third parties to seize the Reserved Goods, Customer undertakes to advise such parties of CBH's title and inform CBH without delay.
- 6.4 If Customer is in breach of contract—including but not limited to default of payment—CBH shall be entitled to repossess the Reserved Goods or request Customer to assign to CBH all claims for surrender of the Reserved Goods that Customer may have against third parties.
- 6.5 At the request of Customer, CBH shall release the securities granted to the extent that their value exceeds the secured claims by more than 20 per cent.

7 Applicable Law, Place of Performance and Venue

- 7.1 All legal relations between CBH and Customer shall exclusively be subject to the laws of the Federal Republic of Germany.
- 7.2 Place of performance and place of jurisdiction shall be Hamburg.