

Terms and Conditions for Delivery and Payment

1.) Preface

a.) Only these terms and conditions, with which the customer automatically agrees upon placing of an order, are valid. These terms and conditions are also valid for all future business between DD Dropulic Kabelkonfektion (Cable Assembly) GmbH and the customer, even if they are not expressly referred to, but instead made accessible to the client upon confirmation that an order has been placed by the customer. These terms and conditions will also be valid, should an order be placed in a manner differing from our terms and conditions, even if we, DD Kabelkonfektion, do not object to such an order. Therefore, orders that differ from or are abnormal in regards to our terms and conditions are only valid when they have been expressly accepted in writing by us. We have the right to surrender claims and demands from our terms and conditions that we are entitled to.

b.) Should the customer find itself in default for any payment obligations to us, any and all existing payments will be due immediately. We are entitled to exert proprietary rights over our products - specifically the taking back of delivered products covered under proprietary law – without exercising any previous withdrawal from the existing contractual order.

c.) All debt-free payment shall be exclusively sent to VR FACTOREM GmbH, Ludwig-Erhard-Straße 30-34, 65760 Eschborn, to whom we have ceded our current and future claims and demands from our terms and conditions. Our proprietary rights have also been conferred to the VR FACTOREM.

2.) Price Basis

a.) Prices for products are based on existing prices on the day of delivery, plus governmental value added tax.

b.) Price calculation for copper: the prices for copper contain a base cost of EUR 150 for 100 kg of copper (excluding underground cable: CU-Basis-0 and telephone cable: Cu-Basis EUR 100.-). The calculation basis for the selling price is the DEL-Quote (stock exchange announcement for electrolyte copper on the day after receipt of the customer's order) plus delivery costs (minimum 1%). The selling price increases or reduces based on the difference between the base cost for copper and the DEL-Quote. The rate for copper is multiplied by this difference. The rate for copper, if not noted otherwise, is valid for 1000m, copper surcharges and deductions are always strictly net prices. Prices for other metals are calculated in the same manner as copper.

c.) Price calculation for brass: the prices for brass contain a base cost of EUR 153.39 for 100 kg of brass. The calculation basis for the selling price is the brass quote (stock exchange announcement for MS 58, processing level 2) on the day after receipt of the customer's order plus delivery costs. The selling price increases or reduces based on the difference between the base cost for brass and the stock exchange quote, in which per full EUR 12.78/100 kg a 5% brass surcharge or deduction will be allowed. These surcharges and deductions are always strictly net prices. Partial orders can result in:

a.) prices differing from the price for same product.

3.) Minimum Values for Orders

We fill customer orders with the following minimum net values: cables and wires EUR 200.-, accessories EUR 100.-. We charge EUR 25.- for orders with a lower net value than the minimum.

4.) Prices for Cutting of Cable

For specifically desired lengths that are not included in our regular inventory, we charge costs for cutting. This surcharge for cutting costs is EUR 35.- per cut.

5.) Fibre Optic Cables

Fibre optic cable may not be exchanged. If, at delivery time, the order is erroneous or defective, the product will be replaced. Further demands will be expressly rejected.

6.) Shipping and Freight Costs

Delivery is carried out ex works, excluding packaging. For shipments that are not free of charge, you will receive the following standard freight charges: packages up to 31.5 kg cost EUR 15.00, small packages EUR 20.-, shipments over 31.5 kg cost EUR 0.55 / kg.

7.) Packaging Costs

The customer will be charged for the packaging of shipments or the packaging will be made available on loan. The delivery of pallet cages and Euro-pallets operates on an exchange basis. Customers will be charged for disposable drums and they can not be taken back.

The decision whether to use KTG- or disposable drums for delivery is reserved for us.

- a) For the KTG-Drums, terms and conditions exclusively given forth by the KTG Köln Kabeltrommel (cable drum) GmbH, Postfach 620380, 51063 Köln, are valid. The terms and conditions of KTG can be found in the appendix of our catalog.
- b) DD-Disposable drums have the same deposit value as the KTG drums and are rent-free for six months. If KTG is not contacted within six months to pick up these drums, we will charge the customer rent in the amount of 15% of the deposit value per calendar month. For cable drums that have not been registered for pick-up, we will charge the customer the complete deposit value.
- c) We pay the transportation costs of returning the disposable drums. We determine the trucking company and arrange the pick-up of the drums. The customer must load the drums onto the trucks themselves. Unjustified costs, which result from customers transporting the drums back to us with their own transportation, must be paid for by the customer.

8.) Delivery Quantities

Deliveries are carried out as indicated in our order confirmation. Partial deliveries are permissible and are accepted as such by the customer upon his/her acceptance of our offer. We reserve the right to over- or under-deliver quantities by an amount of 10%. This percentage amount of difference from the ordered amount is allowed to increase to 15% for customer-related special orders. The supply of special order cables is carried out in production facilities with specialized conditions and processes.

9.) Costs for Returning of Products

The customer must give notice that a product will be returned. Additionally, the returning of a product requires our agreement to take the product back. Depreciation of the value of the product, for example, from missing packaging or from visible use of the product must be compensated for by the customer. For products returned that were properly ordered and delivered, we charge a processing fee of 30% of the costs for returning the product or at least a minimum of EUR 10. On products that must be purchased additionally for the customer an additional deduction in the amount of the return shipping costs of the manufacturer will take place.

10.) Payment

Our invoices are strictly net payable within 30 days from the invoice date. Payment made within 10 days of the invoice date will receive a 2% discount on the net value of the products purchased. We have the right to apply payments to older or existing debts owed to us, even if the customer indicates that the payments should be applied otherwise. If costs and interest have already occurred, we have the right to apply payments to costs, then to interest, and lastly to the main products and services provided.

The payment will be considered made, when we are able to access the payment in our accounts and when, in the case of money transfers and check payments, the final value setting is in our favour in our accounts.

If the customer goes into default, from that point on, we have the right to charge the customer interest for default in the amount of 8% points over the discount rate of the Bundesbank, or the paying customer interest for default in the amount of 5% points over the discount rate. We have the right to make the conclusion of a contract dependent upon pre-payment. Even without insistence upon pre-payment at conclusion of a contract, a customer may be invoiced for the partial delivery of an order, with the remainder of the order to be delivered only after prepayment or immediate payment has been made. These provisions do not alter the lawful consequences of payment default by the customer in any way.

The customer only has a right to offset, withhold or reduce payments when the counterclaims have been determined as legally binding or have not been contested. The customer does not have the right to offset, withhold or reduce payments simply when a customer's counter claim or notice of defect have been determined to be valid.

As far as payment through agreed upon exchange is concerned, fulfillment of payment obligations takes effect only after valid appraisal of the exchanged goods.

11.) Reservation of Proprietary Rights

a.) Until all payments are fulfilled (including requests for all outstanding balance payments from a current account), which are legally owed to us now or in the future, all products will remain our property.

b.) If the customer violates the terms and conditions of the contract, especially through default on payments owed to us, we have the right to take back delivered products after one warning to the customer. The customer is obligated to release the delivered products.

c.) The assertion of our proprietary rights as well as the taking back of delivered products does not constitute a withdrawal from the contract.

d.) The buyer has the right to process and sell the retained products in orderly and lawful business dealings. However, the buyer must relinquish all payments owed to us in the amount of the agreed-upon purchase price of the products (including the valid value-added tax), which the buyer earned through the resale of the products, regardless if the delivered products were resold after processing by the customer or not. After relinquishing owed payment to us, the customer is permitted to collect payments for these products. Our authority to collect payments for these products ourselves remains valid and intact. However, we obligate ourselves to not collect payments for the resale of our products as long as the customer makes payments to us for the delivered products and is not in default on payments to us. If the customer is in default, we can demand the customer to inform us about the outstanding payments owed to him/her, the debtors' names and all information necessary for the collection of the payments. Furthermore, the customer must distribute documents necessary for the collection of payments to the debtors (also third parties) and communicate the relinquishing of these payments to us.

e.) The processing or alteration of products by the customer is always carried out for us. If delivered products are processed with other matter that does not belong to us, we acquire joint ownership of the new product in proportion of the value of the product delivered by us to the other processed matter at the time of processing.

f.) If the delivered products are mixed with other matter not belonging to us in such a way that they can not be separated, we acquire joint ownership of the new product in proportional value of the product delivered by us to the other mixed-in matter. The customer shall store the jointly owned products for us.

g.) The buyer is not entitled to pledge or assign the products as security. Should a third party garnish, seize or attempt to take delivered products, the customer must inform us immediately and without delay and provide us with all information and documents necessary for us to defend our rights. Executory officers and all other third parties must be informed by the customer about our proprietary rights over the delivered products.

h.) We pledge to not demand deposits owed to us, if so requested by the customer, when their value exceeds securing payments by 20%, provided these payments have not yet been (completely) collected.

12.) Delivery Time

Dates and times of delivery indicated by us are non-binding unless expressly declared otherwise in writing. This policy is especially applicable when we do not stipulate an exact date and time, but rather we simply confirm the earliest possible date and time for delivery (quickest possible, promptly or similar language). In such cases and if not otherwise agreed upon in writing, the buyer allows us a minimum delivery period of six weeks in case a delay occurs.

13.) Delivery and Service Delays

We shall not be held responsible for delivery and service delays caused by acts of God, events that make delivery fundamentally difficult or impossible – these events include continuous difficulties in obtaining production materials, disruption of operations, strikes, lock-outs, shortage of personnel, shortages in the transportation industry, governmental regulations etc., and events that cause delays for our suppliers and sub-suppliers – even in cases where binding arrangements for delivery date and time have been made. Such events authorize us to postpone the delivery and service time for the length of the untimely event, development and/or disturbance plus our normal delivery time or such events authorize us to withdraw partially or fully from the contract due to the unfulfilled parts of the order.

If the delay of service and delivery lasts more than three months, the buyer is authorized to withdraw from the contract due to the unfulfilled portion of the order.

If we are not able to fulfill the placed order or if we find ourselves in default, the buyer may demand default interest in the amount of 5% of the calculated value of the respective delivery and service. Demands beyond this 5% value are excluded, unless the default is in respect to intentional negligence. We have the right to perform partial deliveries and services. Each partial delivery shall be considered an independent transaction.

14.) Shipment, Passing of Risk

- a.) We determine the itinerary and method of delivery as well as the freight carrier.
- b.) The risk shall be passed onto the buyer, as soon as the shipment has been given to the freight carrier and, at the latest, once the product leaves our warehouse or supplier, and in the event that the goods are confiscated, in all transactions and in cases of freight prepaid and free delivery. The products will only be insured upon the request of the customer. Liability and costs for the unloading of delivered products belong to the customer.
- c.) Should the transport of products along the intended route or to the intended destination in the intended time be rendered impossible or considerably more difficult, we shall have the right to choose a different route or destination for delivery. The customer is responsible for the resulting additional costs incurred. The customer will be given a chance to comment on the new route and delivery destination before it is undertaken.

15.) Warranty

- a.) The duration of the warranty for new products is generally two years. If the customer is a dealer, has a judicial profession in either private law or public law or is a legal manager of special assets, then the duration of the warranty always lasts one year. We guarantee that the products are free of manufacturing and material defects. The warranty lasts for 12 months.
- b.) The warranty does not cover the products if directions for operation and care are not followed, if alterations are performed on the products, or if parts are exchanged and/or materials used that do not comply with the original specifications of the product.
- c.) The customer must inspect the delivered goods for defects immediately after delivery. The buyer must inform us in writing about obvious defects without delay and within one week after the delivery date. The warranty shall be inapplicable if the obvious defects are not reprehended to us in writing, in proper form and within one week after delivery. The notice of defect must include the delivery receipt and invoice number.
- d.) Defects that could not be detected within this time frame must be communicated to us in writing within one week after detection. We shall be held liable for advertising messages or errors in the instructions manual only if the customer is a consumer.
- e.) Insignificant defects that do not reduce the value, serviceability or usefulness of the product are excluded from the warranty. Natural wear and tear is also excluded from the warranty.
- f.) We have the right to provide a supplementary remedy for justified occurrences of defects. Specifically, we have the right, if the customer wishes a supplementary remedy, to provide a supplementary remedy of our choice that is in accordance with the existing legal requirements regarding supplementary performance. If the type of supplemental remedy granted by us to the customer does not result in a successful solution to the defect after two attempts, then the customer has the right to reduce the order, to withdraw from the order and/or to claim compensation for damages. The compensation claim for damages shall be valid only if we, our legal representatives or one of our auxiliaries respectively have committed gross negligence with deliberate intent. This limitation on the compensation claim for damages does not apply if at least a negligent breach of duty by us, our legal representative or one of our auxiliaries has caused damages resulting in loss of life, bodily injury or health limitations. The compensation shall be limited to the minimum amount. Compensation for damages from defects and for subsequent damages is excluded as long as deliberate negligence did not occur.
- g.) The right of the customer to withdrawal remains intact according to § 478 BGB.

16.) Guarantee

We can not and will not guarantee the suitability of our products for the customer's intended uses. Suggestions for applications and uses of our products are made to the best of our knowledge. They are, however, non-binding and do not release the customer from performing his/her own experiments and tests. In no way may we be held liable for damages or disadvantages resulting from our suggestions.

17.) Product Revisions

We reserve the right to make product revisions as a result of technical developments and changes in assembly processes. The diameter specifications of cables and wires are subject to fluctuations in technical assembly engineering.

18.) Limited Liability

- a.) Claims for damages resulting from default, impossibility of service, affirmative claim infringement, indebtedness upon conclusion of contract, and impermissible acts are excluded as long as the damage(s) was not caused deliberately or through intentional negligence by us. Claims for

damages are limited to those contractually typical damages that are foreseeable at the signing of the contract.

b.) These limits on claims for damages are not valid for culpable violation of essential and contractual obligations, insofar as the attainment of the contractual purpose is jeopardized, and are not valid in cases of compulsory liability according to the product liability law, in cases of loss of life, bodily injury and health limitations and are also not valid if we insofar as fraudulently conceal defects or guarantee the absence thereof. Laws regarding the burden of proof remain intact.

19.) Place of Execution, Court of Jurisdiction and Applicable Law

a.) Place of execution for all services and deliveries is Frickenhausen-Linsenhofen. Court of jurisdiction for both parts is 72622 Nürtingen.

b.) The German Materials Law supplements the terms and conditions in this document for the purpose of regulating the legal relations between the customer and us. The stipulations from the UN Convention on Contracts for the International Sale of Goods from April 11, 1980 are not applicable.

20.) International Shipments

a.) Should a customer, whose place of business is outside of the Federal Republic of Germany (foreign customer), or his/her designated representative pick up goods or transport them or have them shipped outside of the Federal Republic of Germany, he/she must provide the necessary tax documents for proof of export. If the customer does not provide these tax documents for export, he/she will have to pay the current sales tax on shipments within the Federal Republic of Germany, which is applied to and appears on the invoice total.

b.) For shipments from the Federal Republic of Germany to other EU-Member States the customer must communicate his/her Sales-tax Identification Number, with which he/she declares revenue within the EU, to us before the shipment. Otherwise, the customer must pay us the legally owed amount of sales tax for and in addition to the agreed-upon purchase price of our products and their shipment.

c.) When calculating shipments from the Federal Republic of Germany to other EU-Member States, sales-tax regulations from the Member State at the destination of the shipment are applicable if either the customer is registered for sales-tax purposes in another EU-Member State or if we are registered for sales-tax purposes in the Member State at the destination of the shipment.

21.) Final Provisions

Should certain contractual parts of our Terms and Conditions be legally invalid, the remaining terms of the contract remain legally binding. The invalidity of individual stipulations does not nullify the validity of other remaining stipulations. The invalid stipulation shall be replaced by a commercial stipulation of equal value.