

Standard Supply and payment Terms for HASCO Standards and Specials

The following Terms, Items 1-11, apply to commercial business with all customers not qualifying as consumers within the meaning of Art 13 of the Civil Code (BGB) and domiciled in the national jurisdiction. For customers domiciled abroad only Item 12 applies.

1. Inclusion of these business terms

- 1.1 Supply, service and bidding occur exclusively on the basis of these present Business Terms which thereby apply to all future business dealings even if they are not expressly agreed anew. These Terms shall be deemed to have been accepted upon receipt of the goods or services at the latest. Contrary confirmations by the customer with reference to the latter's own terms are hereby contested. This shall also apply to the case that the customer has stipulated a specific form for such contestation. Departures from these present Business Terms shall only have binding force if HASCO has confirmed them in writing.
- 1.2 Orders as well as ancillary verbal understandings about orders should for the purpose of documentation at least be concluded in the form of text.

2. Conclusion of contracts, statements and information obligations in electronic trading

- 2.1 HASCO's bids shall be subject to change and without obligation. Reservation is made for technical modifications in the framework of what is reasonable; adjustment of HASCO products to subsequent standard-setting likewise.
- 2.2 With the order, regardless of however transmitted, for goods the customer declares with binding force that it wishes to acquire the goods ordered (contract bid). HASCO shall be entitled to accept such a contract bid within two weeks from the date of its receipt by HASCO. Acceptance may either occur explicitly in written or text form or by shipping of the goods ordered.
- 2.3 In electronic legal transactions, confirmation of receipt of the order shall not constitute a binding statement of acceptance unless the acceptance is expressly stated in the confirmation of receipt.
- 2.4 Where an order is placed by electronic means, the contract text shall be saved by HASCO and, upon request, sent to the customer together with these present Standard Business Terms per email. The information obligations in Art 312e, paragraph 1, numerals 1-3 of the Civil Code (BGB) (provision of technical aids for remedy of input errors, provision of information according to the Information Obligation Ordinance, immediate confirmation of receipt) shall otherwise be expressly barred.

3. Delivery deadlines, delivery delays

- 3.1 Delivery deadlines shall not begin prior to complete clarification of all technical details.
- 3.2 Compliance with delivery deadlines shall presuppose fulfilment of the customer's contractual obligations, including in particular the obligation to make an agreed down payment.
- 3.3 Force majeure events shall entitle HASCO to postpone delivery by the duration of the obstacle and an appropriate start-up period or to cancel the contract in part or in full as regards its portion not fulfilled. Equated with force majeure shall be strikes, lockouts or unpredictable, inevitable circumstances such as operational problems making it impossible for HASCO to effect timely delivery despite reasonable efforts to do so. HASCO shall bear the burden of proof.
- 3.4 The same shall also apply if the foresaid obstacles should occur during a delay or with a sub-supplier. The customer may challenge HASCO to state within two weeks if HASCO wishes to cancel or deliver within an appropriate supplemental deadline to be set by the customer. Should HASCO not state its intention, then the customer may cancel the unfulfilled part of the contract.
- 3.5 Should delivery deadlines shift in application of these clauses or should the customer cancel in full or in part, then this shall not constitute grounds to assert any damage compensation claim against HASCO.
- 3.6 HASCO may only invoke Items 3.1 through 3.5 if HASCO has immediately notified the customer of the occurrence of such events.

4. Passing of risk, shipping damage

- 4.1 Risk shall pass to the customer as soon as the shipment has been handed over to the party carrying out shipment or as soon as the shipment has left the HASCO warehouse for the purpose of being shipped. This shall also apply if delivery has been agreed delivery free.
- 4.2 If the shipment becomes impossible through no fault of HASCO then the risk shall pass to the customer upon notification of readiness to ship.
- 4.3 The selection of packaging and mode of shipment shall be left to HASCO unless the customer has issued explicit instructions hereon.
- 4.4 Shipping damage must be complained about to the shipping agent or freight forwarder immediately after receipt of the shipment and an attestation to this effect shall be issued.

5. Pricing, minimum order amount, discounts

- 5.1 HASCO shall invoice prices in according to the provisions of the currently applicable price list for the various product groups. Such prices shall be exclusive of VAT, shipping and packaging. For specials the prices agreed in each instance shall apply, in cases of doubt the price quoted in HASCO's order confirmation shall be definitive.
- 5.2 For every order, a minimum amount of 25.00 shall be charged. HASCO shall grant, upwards of 100 items with the same dimensions a discount of 5%, upwards of an order of 200 items with the same dimensions a discount of 10%.

6. Payment terms, payment delay by the customer, prohibition on offset

- 6.1 Unless otherwise agreed, HASCO's invoices shall, with the exception of COD consignments for which HASCO grants no cash discount, payable within 10 days at 2% cash discount or payable within 30 days without cash discount. The customer shall be under a contractual obligation to pay the purchase sum within 30 days from receipt of the goods. Beyond that deadline the customer shall be deemed to be in arrears.

- 6.2 HASCO shall be entitled notwithstanding customer regulations to the contrary to first set off payments against the customer's older debts. If costs and interest have already been incurred, then HASCO shall be entitled to first apply the payment to costs and then to interest and only thereafter to the principal claim.

- 6.3 A payment shall only be deemed to have been made if HASCO has control of the amount. In the case of payment by paper instrument, which HASCO reserves the right to accept on a case-by-case basis, the payment shall only be deemed to have been made when the instrument has been honoured. Costs and expenses connected therewith shall be borne by the customer.

- 6.4 The customer shall pay for the duration of any arrears interest at 8% above the base lending rate on the amount outstanding. The customer shall have the onus of proof that the interest loss has been less than that; HASCO expressly reserves the right to assert further reaching compensation for demonstrable damages from arrears.

- 6.5 If the customer does not comply with its payment obligations, in particular if a cheque or draft is not honoured or if the customer suspends payments or if HASCO becomes aware of other circumstances calling the customer's creditworthiness into question to an extent relevant for the commercial relationship, then HASCO shall be entitled to invoice the entire remaining debt including in cases where HASCO has accepted cheques or drafts. HASCO shall in such cases also be entitled to demand prepayment or collateralisation.

- 6.6 The customer shall only be entitled to setoff, retention or reduction, even where defects or counter-claims are asserted, if the counter-claims have been adjudicated without the possibility of appeal or are uncontested. The exercise of any right of retention shall only be allowed if the counter-claim derives from the same legal relationship.

7. Complaints about defects, warranty, damage compensation, statute of limitations

- 7.1 HASCO shall assume liability for goods supplied by HASCO under the provisions of the following regulations conclusively including warranty rules and which do not constitute a guarantee in the legal sense. In the case of merchandise, any eventual manufacturer's warranties shall not be affected by these provisions.

- 7.2 The warranty period shall be 12 months unless the product supplied in accordance with its conventional mode of use is used for a building structure and has caused the latter to be defective. It shall commence with the date of delivery.

- 7.3 Should technical infosheets or HASCO's installation instructions not be followed or should modifications have been made to the products, then the warranty shall lapse unless the customer can show that the defect complained of was not due to those circumstances.

- 7.4 The customer shall be obligated to immediately inform HASCO in writing of any obvious defects, however to do so at the latest within two weeks of receipt of the object supplied and, in doing so, to identify the defect precisely. Defects which cannot be discovered despite careful testing within this deadline shall be reported in writing immediately upon discovery and, shall, in that context, be identified precisely. In case of violation of these regulations the assertion of the warranty claim shall be expressly barred. The customer shall bear the entire onus of proof for all claim prerequisites, in particular for the defect itself, the date of its discovery and the timeliness of its complaint.

- 7.5 In the case of justified complaints of defects HASCO may at its option render subsequent performance by means of improvement or may supply a replacement.

- 7.6 Should subsequent performance fail after the customer has set an appropriate second deadline, then the customer may at its option demand reduction in remuneration (reduction) or cancellation of the contract. In case of only minor non-contractual performance, in particular in case of only minor defects, then the customer shall however not be entitled to cancel the contract.

- 7.7 Should the customer choose cancellation of the contract due to any legal or physical defect after subsequent performance has failed, then the customer shall not be entitled to any damage compensation claim due to the defect.

- 7.8 Should the customer opt for damage compensation after subsequent performance has failed, then the goods shall remain with the customer if this can be reasonably expected. Damage compensation shall be limited in its amount to the difference between the purchase sum and the value of the defective object. This shall not apply if HASCO non-compliance with the contract has been caused maliciously.

- 7.9 Determinative of the contractual nature of standards and accessories shall, in the absence of any other agreement, only be HASCO's production description. Public utterances, sales talk or advertising shall by contrast not constitute any contractual description of the goods' nature.

- 7.10 Expressly barred as long as HASCO works according to corresponding customer specifications shall be liability for the product's suitability in regard to the goods' intended use, its proper design, compliance with safety regulations as well as the suitability of materials.

- 7.11 If planning recognisable from the order contains customer specifications which HASCO recognises as being of critical technical importance for production or as being unfeasible, then HASCO shall so inform the customer. The customer shall in that case be obligated to check HASCO's objections on its own responsibility. HASCO shall not assume any commitments or liabilities whatsoever in regard to the suitability of any modification proposals for the customer's intended use.

- 7.12 Only HASCO's immediate contractual partner shall be entitled to warranty claims against HASCO and warranty claims shall not be transferable.

- 7.13 HASCO has installed a quality management system certified under DIN EN ISO 9001. All products are constantly checked during production in accordance with the requirements of the HASCO QM manual. The customer shall be entitled to inform itself about the nature and scope of para-production quality testing. Testing going beyond what is set forth in the HASCO QM manual require special written agreement between the customer and HASCO with more precise explication of test parameters and testing methods.

- 7.14 The HASCO quality management system shall not discharge the customer from the necessity of conducting proper incoming goods checks.

8. Other limitations on and barring of liability

- 8.1 HASCO shall not be liable for slightly negligent violation of unessential contractual obligations.

- 8.2 In case of other slight negligent violation of obligations HASCO's liability shall be limited to the average damage predictably and typically inherent in the contract in view of the nature of the goods. This shall also apply to slight negligent violation of obligations of HASCO's legal representatives or its agents.

- 8.3 The limitations on liability above shall not apply to customer claims stemming from product liability or in case of bodily or health injuries or loss of life on the part of the customer attributable to HASCO.

- 8.4 The customer's damage compensation claims shall be limit-barred in one year commencing with delivery of the goods. This shall not apply to customer claims stemming from product liability or in the case of bodily or health injuries or loss of life on the part of the customer attributable to HASCO.

9. Reservation of title

- 9.1 HASCO shall retain title to all parts supplied until all claims have been completely paid, including all indirect claims on the customer stemming from the commercial relationship with HASCO with the inclusion of claims incurred in the future. In the case of amortisation of the purchase sum by way of cheque or draft HASCO's retained title does not lapse when the customer's cheque is honoured but only when the last refinancing instrument has been honoured. Processing or conversion of the items supplied by the customer shall be deemed to occur for HASCO's account.

- 9.2 The customer shall be entitled to resell items to which HASCO has retained title in the framework of the customer's normal course of business. The customer hereby ceedes to HASCO subject to suspensive condition to the date of their incurrence all claims gained by the customer on its user or third parties. This shall apply without regard to whether or not the goods with retained title are resold with or without processing or conversion. Pending revocation by HASCO, the customer shall remain authorised to collect claims transferred to HASCO shall obligate itself not to collect on the claims as long as the customer complies properly with its payment obligations.

- 9.3 The customer shall otherwise not be entitled to pawn items supplied with retained title, or to pledge them as collateral or to dispose of them in any other way. The customer shall immediately inform HASCO of any seizure by third parties, particularly of any lien.

- 9.3 Any action in violation of the contract by the customer, in particular in case of payment arrears or violation of obligations under Paragraphs 1 and 2 above shall entitle HASCO to cancel the contract and to demand return of the goods without prejudice to additional statutory rights based on the customer's violation of obligations.

10. Data protection

Handling of the commercial relationship is supported by a data processing facility. Accordingly, customer data (address, products supplied, quantities supplied, prices, payments, cancellations, etc) are recorded on file and stored up through the end of the commercial relationship. The customer is hereby informed in advance of such storage. The legal basis is this is: Arts 27 ff, 33 Federal Data Protection Act (BDSG).

11. Venue of performance and jurisdiction

Venue of performance and jurisdiction for all disputes arising directly or indirectly from the contractual relationship, including protesting of drafts, shall be the court having jurisdiction for Lüdenscheid. HASCO reserves the right, at its own option, of suing the customer in the latter's general venue of jurisdiction.

12. Customers with registered offices outside of the Federal Republic of Germany

Applicable to business with customers with registered offices outside of the Federal Republic of Germany shall be the United Nations Convention on the Internal Sale of Goods (UN commercial law) where not amended or supplemented by the following clauses. Third party purchase terms shall not apply.

- 12.1 HASCO's offers are binding unless they have expressly been designated as subject to change.

- 12.2 Title of contractual goods shall only pass to the customer after they have been fully paid.

- 12.3 Unless otherwise agreed, payments shall be made in . Should the customer not pay when due, then the customer shall pay interest in the amount of 8% above the current base lending rate of the European Central Bank.

- 12.4 The goods supplied must be examined immediately. Any complaint that the goods are contrary to the contract must be raised immediately. In every case of complaint that the goods are contrary to the contract, a barring limitation of six months from receipt of the goods shall apply.

- 12.5 All customer claims that the goods are contrary to the contract shall be limit-barred in 12 months beginning with the date of timely complaint pursuant to Item 12.4.

- 12.6 If the goods are not in conformity with the contract, then HASCO shall notwithstanding Art 46 of the Convention be entitled to provide replacement in lieu of improvement. In that case, the customer shall make the non-contractual goods available to HASCO at the latter's expense.

- 12.7 Damage compensation due to the non-contractual nature of goods shall only be paid by HASCO if HASCO is culpable in regard to such breach of the contract. The damage compensation claim shall be limited to the amount of 25,000.

- 12.8 The venue of jurisdiction shall be the location of HASCO's registered office, but HASCO shall be entitled to sue the customer in the latter's venue of jurisdiction as well.