

§ 1 Area of Application

The General Terms and Conditions below apply to all transactions with our customers or clients (referred to below jointly as "Customers"), even if not stipulated in later contracts. The customer's general purchase conditions or other general business conditions are hereby expressly excluded. This also applies if the customer refers to his own terms of business, even if containing rejection and/or exclusion criteria not expressly rejected by us, irrespective of the chronological sequence in which the competing conditions were cited by the contract partners, unless these have been accepted in writing.

§ 2 Contract Conclusion

1. Our offers are made without obligation. An order by a customer shall be binding. We may accept this offer within four weeks by sending an order confirmation or the goods at our choice.
2. The scope of supply is given in our written confirmation. This also applies if the service we are to provide must be performed to the customer's specifications, in particular to a drawing provided by him. Any reference by us to DIN/ISO standards and other specifications is a description of services and not an assurance of properties.
3. If subsequent justified doubts arise as to the creditworthiness of the customer, we are entitled to refuse delivery until security is provided or cash payment on delivery agreed. If despite request allowing a reasonable period, the customer is not prepared to provide security or make payment in cash, we are entitled to withdraw. We reserve the right to claim compensation.
4. Oral information and promises by us are binding only if and insofar as we confirm these in writing or fulfil them by delivery of the goods and invoice.
5. However, the declarations on the quality of the goods contained in the order confirmation and/or other documents exchanged between us and the customer do not constitute a guarantee pursuant to § 276 para. 1 of the German Civil Code, nor an independent guarantee, unless we have expressly stated this and also indicated the success we guarantee.
6. We are not liable in the case of evident errors, typing and calculation errors in the documents presented by us. The customer is obliged to notify us of such errors so that the order confirmation and/or invoice can be corrected. This also applies to absent documents.
7. The order number, customer number and invoice number given in our order confirmation or invoice must be quoted on invoice settlement and in all customer correspondence concerning the order.
8. In the case of a declaration of acceptance amended by the contract partner, the latter is obliged to make express reference to the modified content. If no express mention is made, our previous version is decisive.
9. Fiscal evidence requested for deliveries abroad and within the European community shall be provided immediately by the customer.

§ 3 Long Term and Call-Off Contracts

1. Infinite duration contracts may be terminated with 6 months' notice.
2. In the case of long-term contracts (contracts with a duration of over 12 months and infinite duration contracts), if a substantial change occurs to the costs of salaries, materials or energy, each contract partner is entitled to request negotiations on a suitable adaptation of the price, taking these factors into account.
3. If no binding order quantity is agreed, our calculations are based on the non-binding delivery quantities (target quantities) expected by the customer for a specific period. If the customer accepts less than

the target quantity, we are entitled to increase the unit price within reason. If he accepts more than the target quantity, we shall reduce the unit price within reason provided that the customer has given notice of the extra requirement at least 6 months before delivery.

4. On call-off delivery contracts, unless agreed otherwise, binding quantities must be notified to us at least 2 months before delivery by call-off. Extra costs caused by delayed call-off or subsequent changes to time or quantity of call-off by the purchaser are charged to him, our calculations being decisive.

§ 4 Cancellation Costs

If the customer withdraws his placed order without justification, we may, irrespective of the option of claiming higher compensation for actual damage incurred, demand 10% of the purchase price for the costs incurred in processing the order and lost profit. The onus is on the customer to prove lesser damage.

§ 5 Prices, Price Changes

1. Our prices are quoted net of the legally applicable value added tax, packing and despatch costs.
2. Unless specified otherwise from the order confirmation our prices are ex works.
3. Price changes are permitted if the agreed delivery time is more than four months after contract conclusion. If salaries, raw material prices, other material costs, duties, taxes or other levies and freight charges increase or reduce or are introduced as new before completion of delivery, we are entitled and obliged, both in the case of a price increase and in the case of a price reduction, to make a reasonable adjustment to the price taking these factors into account. This also applies if a fixed price has been agreed. The customer is entitled to withdraw only if a price increase considerably exceeds the rise in general cost of living between order and delivery. If the customer is a merchant, a legal entity under public law or a special trust under public law, price changes according to the aforementioned rule are permitted if the agreed delivery time is more than six weeks after contract conclusion.
4. The agreed prices apply to the respective order only. In the absence of other agreements, these prices are not binding on later orders.

§ 6 Terms of Payment, Offset

1. The purchase price or remuneration, and the fees for secondary services, must be paid within 8 days from date of invoice unless agreed otherwise. Insofar as we are entitled to part services, these may be applied and rendered due by deposit invoices even within a uniform delivery contract.
2. Performance takes place on receipt of payment in our account.
3. Payment orders, cheques and bills are accepted only for performance. Acceptance of bills always requires a prior written agreement with us. On receipt of bills, the bank discount and collection fees are charged from the due date of invoice and are payable immediately in cash. No guarantee is given of prompt submission of bills and cheques and raising of bill protests.
4. Discounts, where separately agreed in writing, are permitted only if there are no outstanding payments from the entire business relationship.
5. We are entitled to first apply payments to the customer's outstanding debt. If costs and interest have already been incurred, we are entitled first to offset payments against costs, then interest and finally the main service.

6. Only undisputed or legally established counterclaims by the customer may be offset against our claims.
7. In the event of established defects, the customer is entitled to retain the purchase price only to the extent reasonable in view of the defect.
8. We have the right to deliver the goods or perform the services only after payment by the customer insofar as the customer has not observed the payment terms agreed on earlier orders or there are still outstanding payments due therefrom or the customer's ability to make payment is in doubt.
9. All claims become due immediately, irrespective of duration of any bills accepted and credited, if the payment terms are not observed or we become aware of circumstances which are objectively likely to reduce the customer's creditworthiness. We are then also entitled to make outstanding deliveries only against advance payment and after a suitable period withdraw from the contract or demand compensation for non-performance. We may also prohibit the resale and processing of the goods supplied and demand their return or transfer of the right of indirect possession of the goods supplied at the customer's cost and revoke the collection authorisation in accordance with § 7 no. 2.
10. If for any reason whatsoever difficulties arise in the transfer of the invoice amount to the Federal Republic of Germany, the resulting disadvantages are charged to the client. For sales in foreign currency, the exchange risk is borne by the customer from conclusion of the contract. If the agreed payment method or manner cannot be observed, the customer is obliged to make payment in the manner of our choice.

§ 7 Default

1. The customer defaults if he fails to make payment at the calendar payment time stipulated in the contract or does not make payment on our reminder which is sent on the date the purchase price falls due. The statutory provisions in § 286 para. 3 of the German Civil Code whereby the customer is automatically in default thirty days from receipt of invoice remain unaffected.
2. In the event of payment default by the customer, we are entitled, from the time payment is due, to charge interest at the rate of five percent above the base interest rate, and for legal transactions in which no consumer is involved, at the rate of eight percentage points above the base interest rate. The statutory provisions whereby higher interest rates may be charged on other legal grounds and the claiming of further compensation is not excluded remain unaffected. On payment default, after written notification to the customer, we may suspend performance of our obligation until receipt of payment.

§ 8 Reservation of Ownership

1. All goods supplied remain our property (retained goods) pending fulfilment of all our claims, in particular also balance claims, due as a result of the delivery relationship. This also applies if payments are made against specially designated claims.
2. Goods supplied under reservation of ownership must be treated with care.
3. The customer is entitled to resell the delivery object in the course of normal business provided he has properly fulfilled his obligations to us. However, he assigns to us all receivables accrued against his clients or third parties through the resale of goods for which we have ownership rights at an amount not exceeding the final invoice amount (incl. VAT) of our claim. This applies irrespective of whether the object has been sold with or without further processing. We hereby accept the cession. The customer is authorised to collect this claim after cession. Our entitlement to collect the claim ourselves remains unaffected by this, but we undertake not to collect the claim as long as the customer duly fulfils his payment obligations. The customer is obliged to provide on request all information necessary for collection of these claims and to inform his debtors of the claim cession.

4. Insofar as the customer is entitled to collect claims on a trust basis in the context of normal business or with our consent, the collection must be made into a bank account, separate from the normal business account, which is managed for us on a trust basis. The customer must take all necessary and reasonable measures to ensure that the third party payment is not made into another account. The customer is obliged to divert the amounts collected from the claims ceded to us. On request, the customer is obliged to prove that a trust account has been set up for external monies collected by him.

5. The customer's entitlement to collect claims lapses if we revoke this in writing, if the customer fails to fulfil his payment obligations arising from the revenues received, or if an application is made for the opening of insolvency or composition proceedings on the estate of the customer or if he suspends his payments. In these cases, we are entitled to collect the ceded claims ourselves. The customer is obliged to give us all information necessary for collection and issue the associated documents. The customer in this case is furthermore obliged to inform the debtors of this cession. If the customer fails to transfer to us immediately the amounts received from ceded claims, he is obliged to retain these for us free of charge on a trust basis.

6. If the customer infringes his obligations, in particular on payment default, after unsuccessful expiry of a reasonable period for performance set for the customer, we are entitled to withdraw from the contract and have the goods returned, without prejudice to the statutory provisions concerning the dispensability of further grace periods. The customer is obliged to surrender the items. We are also entitled to withdraw from the contract if an application is made for the opening of insolvency proceedings on the customer's estate.

7. Processing or restructuring of the goods by the customer is always performed on our behalf without incurring any obligation for us. If the delivery objects are processed with other objects not belonging to us, we acquire ownership of the new item in the ratio of the value of the delivery object to the other objects processed at the time of processing.

8. If the delivery objects are inseparably mixed with other objects not belonging to us, we shall acquire ownership of the new object in proportion to the value of our object in relation to the other converted objects at the time of conversion. The customer protects the shared ownership for us free of charge.

9. The customer may neither pledge the delivered objects nor transfer ownership thereof as security. In the case of pledges and seizure or other disposal by third parties, the customer must immediately notify us and provide all information and documents required to protect our rights. Executory officers and third parties must be informed of our ownership. If an external storage facility is used, reference must be made to our ownership before storage of the goods.

10. We undertake to release all securities held at the request of the customer if their value exceeds the claim secured by more than 20%.

11. If the reservation of ownership or cession is not valid under the law for the region in which the goods are located, the reservation of ownership or cession in this region constitutes corresponding security. If the collaboration of the client is required, he must take all measures necessary to establish and maintain such rights.

§ 9 Delivery Times, Scope of Supply

1. The delivery periods and dates agreed are always approximate unless a fixed date is agreed in writing.

2. The delivery period begins after despatch of the order confirmation but not before all details of performance have been clarified and all other conditions to be fulfilled by the customer are observed; the same applies to delivery dates. These are observed if readiness for despatch is announced or the object has left the works before their expiry.

3. The delivery period is extended in the event of measures in the context of industrial disputes, strike and lock-out, official dispositions, difficulties in material procurement, casting difficulties, rejections

and reworking, operating interruptions, staff shortages and transport media defects, and in general on occurrence of unforeseen obstacles over which we have no influence, corresponding to the duration of these events. This also applies to delays in periods and dates agreed as binding. This also applies if these circumstances apply to sub-suppliers. There shall be no consequences of default for the duration of the above obstacles, even if we are already in default on occurrence of these events. If the delivery period is exceeded, the client remains obliged to accept the goods at the price agreed for the delivery date.

4. Part deliveries and services are in principle permitted insofar as these do not unreasonably disadvantage the customer or the latter has not excluded these in writing on conclusion of the contract.

5. Compensation claims and the right to withdraw due to delayed delivery service, or to non-fulfilment or non-performance, are excluded unless resulting from gross negligence. These claims are restricted to the extra costs necessary for the customer to cover the purchase.

§ 10 Despatch, Packing

1. In principle, we deliver "ex works" within the meaning of the clause EXW Incoterms 2010, whereby our plant in Gevelsberg, Germany is the place of surrender, unless otherwise agreed. Goods are always despatched at the risks and on behalf of the customer, even when despatched with free delivery.

2. Packaging, where used, in the absence of contrary compulsory statutory provisions, becomes the property of the customer and is charged by us. Freight and despatch costs and packaging fees are invoiced separately. The despatch method chosen is that deemed most suitable.

3. Acceptance by the carrier constitutes proof of perfect composition of the outer packaging.

§ 11 Acceptance, Transfer of Risks

1. The customer is obliged to accept the delivered object and investigate it immediately for any defects.

2. If the customer, by deliberate intent or by gross negligence, delays in collection or acceptance of the delivered object for more than fourteen days from receipt of the readiness notification, after setting a further period of fourteen days we are entitled to withdraw from the contract and/or claim compensation. There is no requirement for setting a further period if the customer seriously or definitively rejects acceptance or is clearly unable to pay the purchase price within this period.

3. Risks transfer to the carrier or customer on hand-over of the goods, even if we have performed delivery.

§ 12 Defects, Guarantee

1. Statements of defect must be reported immediately in writing under § 377 Commercial Code; for evident defects within an exclusion period of seven days from delivery to the customer, and for concealed defects within three days from discovery. An immediate report of defects by the customer initially made orally (by telephone) must be clarified in writing at the latest within eight days from the oral report. On delivery of the goods, the customer is obliged to check these for completeness immediately.

2. If the customer uses, applies or processes the goods delivered, this constitutes acceptance of the goods and definitive waiver by the customer of claims for defect or other claims arising from delivery.

3. The defective goods must not be modified without our consent until the defects have been remedied. The customer is obliged to store the defective goods carefully, keep these available for inspection and provide us with a specimen on request. The customer has no claim to remuneration of storage or other costs.

4. We must be given the opportunity to establish the reported defect. On request, the defective goods must be returned to us immediately; if the rejection is justified, we shall bear the transport costs. If the customer fails to fulfil these obligations or makes changes to rejected goods without our consent, he loses all rights to claim defects.

5. If particular quality conditions are imposed or the goods are despatched to another recipient or abroad on the instructions of the customer, they must be checked and accepted in our works on behalf of the customer before despatch. Otherwise the goods are considered delivered unconditionally on despatch.

6. If the customer wishes us to perform the necessary tests, he must notify us accordingly. The nature and scope of the tests must be agreed before conclusion of the contract.

7. Production-related over- or under-deliveries are permitted within a tolerance of 10% of the total order quantity. The total price is amended in accordance with the scope.

8. We give no guarantee of suitability for the proposed use of the materials we offer. In regard to the proposed application, the customer bears responsibility for the proper construction taking into account any safety regulations, material selection and the necessary test methods, the correctness and completeness of technical delivery regulations and the technical documents and drawings provided for us and the design of production facilities provided, even if we suggest changes which meet with his approval.

9. We are not liable for material defects which result from unsuitable or improper use, faulty assembly or commissioning by the customer or third parties, normal wear, faulty or negligent handling, nor for the consequences of improper modifications or repairs made without our consent by the customer or third parties. The same applies to defects which only insignificantly reduce the value or suitability of the goods.

10. Furthermore the customer shall ensure that no protected rights or other rights of third parties are infringed as a result of his information. The customer is responsible for proving that he is not complicit in the infringement of third party rights. Where liability towards third parties exists, he shall safeguard us from all claims from the use of such protected rights and costs which may be incurred on or in connection with their use. We are not entitled to reach any agreements or in particular reach a settlement without the consent of the supplier.

11. In the case of defective goods, at our choice these shall be replaced or, where possible, repaired. Rejected goods may only be returned with our consent. Guarantee rights apply only in relation to our contract partners. Transfer is excluded.

12. The customer has the right of reduction or withdrawal if a reasonable period allowed for secondary performance (elimination of defect, re-delivery, procurement of replacement parts) in relation to a defect in the sense of these Terms and Conditions lapses without success due to our fault, the secondary performance fails twice or can no longer be reasonably accepted by one of the parties. A cost remuneration is excluded where costs increase because the goods have been relocated after delivery unless this corresponds to the proper use of the goods.

13. Liability for all damage is excluded unless expressly stipulated in the above conditions, even insofar as not suffered by the delivery object itself. Exceptions are damage caused by deliberate intent or gross negligence on the part of our owner, leading employees or assistants or resulting from negligent infringement of essential contract obligations. In the latter case however liability is accepted only for typical foreseeable damage.

14. The liability exclusion also does not apply in cases of liability for death, physical injury or injury to health due to a defect on the delivery object, or tangible damage caused by objects in private use. The liability exclusion also does not apply to the absence of assured properties where the purpose of the assurance is to protect the customer from damage not suffered by the delivery object itself.

15. The warranty period for newly delivered goods when properly used for merchants and traders is twelve months from transfer of

risks to the purchaser, and for consumers the legal guarantee periods apply. For used objects, the warranty is excluded for merchants and traders and limited to one year for consumers. A trader is a natural or legal person or a legal business partnership who is acting in the exercise of his commercial or independent professional activity when a legal transaction is concluded (§ 14 para. 1 of the German Civil Code). A consumer is a natural person who enters into a legal transaction for purposes which cannot be attributed primarily to their commercial or independent occupation (§ 13 of the German Civil Code).

16. TKR shall in no event be liable beyond what is laid down in the laws of the applicable legal system.

§ 13 Liability

1. Further liability for damages beyond that specified in § 11 is excluded, irrespective of the legal nature of the claims made. This applies in particular to claims for compensation for lost profit, negligence in conclusion of the contract, other infringements of obligations or tort claims for damage compensation in accordance with § 823 Civil Code.

2. The limitation under paragraph 1 also applies if the customer, instead of claiming compensation, demands compensation for useless expenses rather than the performance of services.

3. Where compensation liability is excluded or restricted, this also applies in relation to personal compensation liability by our employees, workers, staff, representatives and assistants.

4. The statutory provisions on burden of proof remain unaffected.

§ 14 Samples, Tools, Drawings

1. Samples and tools if required must be delivered to our works by clients without charges for packing and freight.

2. If we produce samples and tools required for production to templates provided by the customer, we have a claim to the involvement of the customer in the production costs which we specify during contract negotiations and invoice after approval. Irrespective of the production cost share, we remain the owners of the tools produced.

3. We are responsible only for proper use and storage of samples and tools provided to us. It is the responsibility of the owner to insure

samples and tools adequately against fire and water damage and against theft.

4. Samples which have not been used for five years or longer transfer to our ownership without separate notification and are destroyed where applicable with discharge of all our responsibility.

5. If one contract partner provides the other with samples or drawings or technical documents for the goods to be supplied or their production, these remain the property of the contract partner providing them.

6. Each contract partner shall use all documents (including samples, models, tools and data) and knowledge which he acquires from the business relationship only for the common purpose and keep these secret from third parties with the same care as his own documents and knowledge if the other contract partner has designated these as confidential or has an evident interest in their secrecy. This obligation begins from first receipt of the documents or knowledge and ends 36 months from the end of the business relationship.

7. The obligation does not apply to documents and knowledge which is generally known or which was already known on receipt by the contract partner without any obligation of confidentiality, or which was later disclosed by a third party authorised for disclosure, or which were developed by the receiving contract partner without the use of confidential documents or knowledge of the other contract partner.

§ 15 Jurisdiction, Place of Performance

1. All legal relations between ourselves and the customer, even if the latter is domiciled abroad, are governed solely by German law. The UN Convention on Contracts for the International Sale of Goods (CISG) is expressly excluded.

2. The jurisdiction and place of performance for merchants is Gevelsberg (Westphalia).

3. If individual clauses of these General Terms and Conditions are or become invalid, the validity of the remaining clauses is not affected.