



**Sales terms
of OBO-Werke GmbH
Stadthagen, Germany**

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1.

Sales are transacted exclusively according to the following conditions, unless seller and purchaser agree in writing on an individual arrangement. The seller categorically rejects the purchaser's conditions. Acceptance without objection constitutes agreement by the purchaser even if his purchase conditions preclude acknowledgement of other conditions. The sales terms similarly apply to future sales transactions, even if the seller is aware of contrary customer provisions that contradict or diverge from these sales terms but still supplies the purchaser without concern.

2.

Offers and price lists are always non-binding, and the seller is particularly entitled to correct any pricing errors.

All orders and agreements should be made in writing. In particular the execution of a contract requires a written declaration of acceptance. Verbal agreements and arrangements with seller representatives are legally binding only if they are confirmed by the seller in writing. Amendments and supplements to the contract subject to these business conditions should be made in writing in every case.

Provided nothing different has been agreed, prices are ex works Stadthagen and do not include packing and VAT. If the seller increases his prices across the board before delivery of the goods, he is entitled to increase the prices agreed here in the same way. This applies equally if costs rise for reasons not attributable to the seller.

3.

Delivery time indications from the seller are non-binding. Withdrawal can only be considered if the purchaser grants a time extension that should be at least three weeks. Compensation is precluded, unless the seller acts in a grossly negligent or premeditated way.

Events of force majeure, shortage of raw materials and operational interruptions of all types such as strikes, lock-outs, riots, official measures and also other unpredictable, unavoidable and serious events not attributable to the seller entitle the seller to prolong his delivery obligations by the period of interruption and a reasonable preparation period. If fulfilment of the contract becomes unconscionable for one of the parties, they can withdraw from the contract. Neither prolongation of delivery obligations nor withdrawal of the seller from the contract substantiates compensation claims by the purchaser.

4.

Despatch occurs in the name of the purchaser and for his account. Risk is transferred to him upon loading the goods, even if freight-paid delivery is agreed. If despatch is delayed by the fault of the purchaser, risk is transferred to him on the day when the goods are ready for despatch. The seller is not obliged to make arrangements for transit insurance. Part-deliveries are allowed and are invoiced individually.

If despatch is impossible for reasons not attributable to the seller, furnishing the goods constitutes contract fulfilment.

If the purchaser gives no special despatch instructions, the seller is free to opt for form of despatch without liability for selecting the cheapest type. If agreement has been reached on freight rebate, freight costs are to be presented by the purchaser without discount.

The goods are packed according to industry standards. Packing materials such as squared timbers, pallets, wooden crates etc. are invoiced at cost, unless they are returned freight-paid in reusable condition within 4 weeks.

5.

Upon acceptance of orders the solvency of the purchaser is assumed. If the seller subsequently becomes aware of circumstances indicating purchaser solvency is not sufficient, the seller can require prepayment of the agreed purchase price or lodgement of security before production or delivery. If the purchaser refuses prepayment and security lodgement, the seller is entitled to withdraw from the contract. An example of insufficient solvency is if the purchaser does not pay an earlier invoice despite a reminder.

In a case of insufficient solvency the seller can require security for current invoices stemming from earlier sales. If the purchaser does not comply, the seller is entitled to require immediate cash payment of the earlier invoices.

6.

If nothing is otherwise agreed, payment should be made in cash within 30 days from invoice date.

We are entitled to assign our receivables to CommerzFactoring GmbH. In this case payments in full discharge of obligations can only be made to CommerzFactoring GmbH. Each payment received is credited to the oldest receivable outstanding.

If despite reminder the purchaser is in arrears with a payment, all payments due under the business relationship are due without the necessity of a written reminder, also those for which invoices have been issued - unless the purchaser can prove he owes nothing.

Bills of exchange on account of performance with discount ability are only accepted after advance agreement and without grant of a discount. Bill and discount charges are invoiced separately and immediately payable net of discount.

If payment terms are not met or are extended, the seller charges interest of 8 % over the base rate from the 30th day following invoice date. This applies particularly if the purchaser is in arrears with the purchase price. However the purchaser is entitled to evidence lesser or no damages. If the purchaser is in arrears with the payment, he owes reminder fees of € 5.00 per letter for each written demand. If the purchaser pays for any delivery at variance with conditions or not on the due date, the seller has the right to withdraw from further deliveries without notice. Notwithstanding this he can grant time extension, and after expiry thereof require compensation instead of payment.

Offset and retention rights are only available to the purchaser, if his counterclaims are legally recognised, uncontested or acknowledged by the seller. The purchaser has no retention rights concerning contested counterclaims.

For deliveries and services to customers overseas it is specifically agreed that all legal costs incurred by the supplier in the case of customer payment arrears as well as judicial and extra-judicial costs are for account of the customer.

7.

A right of withdrawal by dint of absent or inadequate performance is precluded, if the seller is not responsible for the reason for withdrawal or default. If only one part of the seller's performance is affected, overall withdrawal is precluded. This also applies to withdrawal before due date. The purchaser also has no claim to recompense of futile expenditure, unless the seller acted with premeditation or gross negligence.

8.

The purchaser must lodge complaints in writing about apparent defects with reference to the reason at the latest within 8 days from arrival of goods at destination and before processing. Defects are also apparent, if they are determined by a proper investigation. The purchaser's has a duty to examine the whole shipment. Notwithstanding any defects, the goods are to be accepted and stored properly. The seller is to be given an opportunity to inspect the contested goods.

Concealed defects should be contested 8 days after discovery.

If the purchaser does not lodge a complaint within these deadlines, the seller has no liability and gives no guarantee. Withdrawal is precluded.

9.

The contractual quality of the goods is evidenced exclusively by order confirmation and product description in the relative contract and data sheets. In general particularly public statements, promotions, advertisements and specifications in brochures do not constitute quality data. No liability for defects is assumed over and above legal provisions, and in particular no guarantee commitments are given.

However technical advice from the supplier in speech, writing and through trials to the best of his knowledge is only non-binding, also in relation to any third party property rights, and this does not absolve the customer of the need for personal checks of suitability for the procedures and purposes he intends for goods and products delivered by the supplier. Application, usage and processing of the goods and products lie beyond the supplier's monitoring ability, therefore they fall exclusively into the customer's area of responsibility.

If a defect is present, the seller takes remedial measures at his choice between rectifying the defect and delivering defect-free goods. In the case of rectification the seller bears all expenditure on requisite items such as transportation, travel, labour and material costs, provided these are not increased by the goods no longer being located at the place of fulfilment. If the defect claim proves unjustified, the customer is obliged to refund to the seller any expenditure incurred and evidenced. If the remedial measures fail, the customer enjoys a legal entitlement to withdrawal or price reduction. The period of limitation for defect claims is 12 months from transfer of risk.

10.

The following applies to all compensation claims:

Liability for culpable injury to life, body or health is subject to legal provisions. This also applies to mandatory liability as provided in product liability law. Legal provisions stipulate further that the seller is liable if he maliciously conceals the defect, assumes a guarantee or acts contrary to duty either intentionally or maliciously. The same applies to gross negligence by the seller, his management or leading employees.

The following applies to all other cases: in cases of gross negligence attributable to the seller liability is limited to contractually typical, predictable damage. In the case of simple negligence attributable to the seller liability is limited to culpable contravention of material contractual duties and contractually typical, predictable damage. Additionally liability for simple negligence is limited to EUR 1,250,000.00 per damage case.

11.

Without consideration of the legality of the claim made, any more far-reaching liability for compensation than that provided in the above conditions is precluded.

12.

Delivery of goods occurs with retention of title in line with § 455 BGB with the following additions:
a.)

The seller retains title to the purchased item until receipt of all payments under the business relationship. If the purchaser contravenes the contract, particularly with payment arrears, he is entitled to retrieve the purchased item. By doing so the seller is not declaring withdrawal from the contract, unless he declares this specifically in writing. If he pledges the item, this always involves withdrawal from the contract. After retrieval the seller is allowed to reuse the purchased item; the proceeds therefrom are to be offset against the purchaser's liabilities less reasonable reuse costs.

b.)

The purchaser is obliged to take care of the purchased item. His particular obligation is to insure it at his own expense adequately against fire, water damage and theft at replacement value and keep it so insured. If maintenance and inspection work are required, the purchaser must carry them out in good time at his own expense. If the seller holds a receivable, he is entitled at all times to require information from the purchaser as to what goods delivered under retention of title are still in his ownership and where they are located. Furthermore he is entitled to inspect these goods at their location at any time. In cases of bankruptcy proceedings the purchaser is obliged through labelling or any other way to make it clear to third parties that the goods are owned by the seller.

c.)

In a case of assignment and other interventions by third parties the purchaser should inform the seller immediately in writing, so he is able to lodge a claim in line with § 771 ZPO. If the third party is not in a position to refund the judicial and extra-judicial costs of the claim in line with § 771 ZPO, the purchaser is liable for any shortfall incurred.

d.)

In the case of payment arrears or bankruptcy petition upon request of the seller the reserved goods are to be surrendered to him freight paid and cost free, without any requirement for a grace period from the seller or withdrawal from the contract. Any associated right of possession is void. The same applies if the purchaser culpably jeopardises fulfilment - e.g. through inadequate solvency, inadequate insurance or improper storage of the goods - and the seller therefore withdraws.

e.)

The purchaser is entitled to resell the item in the normal course of business. However in advance he assigns to the seller to the amount of his invoice total (including VAT) all receivables accruing from disposal to his customers or third parties, and this is irrespective of whether the purchased item is sold with or without processing. The purchaser also retains the ability to collect these receivables after assignment. The seller's authority to collect the receivable himself is unaffected by this. In fact the seller undertakes not to collect the receivables, provided the purchaser is living up to his payment obligations from proceeds received, is not in payment arrears and particularly no application for initiation of bankruptcy proceedings has been lodged and payments do not cease. If this is the case, the seller can require the purchaser to inform him of the assigned receivables and the debtors, declare all data necessary for collection, make relative documentation available and inform his debtors of the assignment in writing.

f.)

Processing and remodelling of the purchased item by the purchaser is always undertaken for the seller. If the goods are processed with other items not belonging to him, the seller acquires joint ownership in the new item pro-rata in accordance to the value of the item purchased to the other processed items at the time of processing. In addition the same applies to items involving processing as for purchases delivered under reserve.

g.)

If the goods are combined with other items not belonging to the seller, he acquires joint ownership of the new item in the ratio of the value of the item purchased to the other combined items at the time of processing. If combination proceeds in such a way that the purchaser's item becomes the main item, it is deemed agreed that the purchaser gradually grants the seller joint ownership. He keeps the sole or joint ownership so created for the seller.

h.)

The purchaser also assigns to the seller as security receivables accruing by combining the purchased item with a property against a third party.

i.)

If the purchaser cooperates with a factoring bank in the context of a genuine factoring, authority to dispose applies only if instead of requiring the selling price the receivable is assigned in advance to the factor and pledged to us, the pledge is declared to us and the factor agrees to the pledge. We accept this pledge.

j.)

If the value of the purchaser's security exceeds receivables by more than 15 %, at the request of the purchaser the seller undertakes to release securities lodged with him. A decision on which securities to release lies with the seller.

13.

The purchaser is aware: The seller saves and uses data in connection with the business relationship in line with federal data legislation, which explains why there is no separate information on this.

14.

Place of fulfilment for payments is Stadthagen, for deliveries the place of dispatch.

Local court of jurisdiction is Stadthagen. The purchaser may also be sued at his general court of jurisdiction.

Exclusively German law applies even if delivery takes place overseas.

Application of the UN Convention on Contracts for the International Sale of Goods dated April 11, 1980 (CISG) is precluded.

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