

General Terms of Business

(Terms of Sale and Terms of Delivery Pulsarlube GmbH)

As at 01.01.2015

1. General Information

- 1.1 These general terms of sale are exclusively valid for our deliveries and services.; We accept conflicting or diverging general terms of business of customers only, if we have explicitly agreed to them in writing. Such terms are also non-binding if we have not contradicted them in particular cases.
- 1.2 The third party cession of demands against us is excluded. § 354 a HGB remains untouched.
- 1.3 The sales, resale and the arrangement of the deliveries and services, as well as any technology or documentation linked with may be subject to German, EU, US or other national export controlling law states. In placing an order, the customer declares to be in conformity with such laws and ordinances. The customer declares to obtain all necessary approvals for the export or import.
- 1.4 Our general terms of sale and terms of delivery are valid only with respect to companies in the sense of § 310 paragraph 1 Civil Code.

2. Offer /Extent of the delivery

- 2.1 Our offer subject to alteration. An order given on account of our offer only comes about when the order is confirmed or executed by us.
- 2.2 Verbal additional agreements do not exist. Additional agreements as well as supplementary changes need our explicit written recognition. This is also valid for assurances as well as additional alterations of contract.
- 2.3 Divergences of product data are permitted, provided that they are irrelevant for the designated use.
- 2.4 We reserve property rights and copyrights for pictures, drawings, calculations and other documents. This holds also for such written documents which are called "confidential". Before the passing them on to a third party, the customer needs our explicit written approval.

3. Information/Advisory Services

We provide information and technical advice concerning matters of application to the best of our knowledge and based on our experiences. Nevertheless, all informations about suitability and use of our goods are non-binding and do not release the buyer from checks of his own. No. 10 of these conditions is valid for any liability.

4. Prices

- 4.1 If the confirmation of order does not stipulate anything else, our prices are valid "ex works".
- 4.2 All prices are net prices, in Euro, without sales tax. In its legal amount, the latter is shown separately on the invoice on the day when the invoice is made out.
- 4.3 If transportation and insurance are organized by Pulsarlube, the costs incurred are calculated and settled according to expenditure.
- 4.4 Taxes, contributions, fees and the like, will be charged to the customer even if Pulsarlube has to make advance payments. In such cases Pulsarlube has a claim to restitution or it will state such expenses on the invoice separately.
- 4.5 We reserve the right to change our prices, after the conclusion of the contract, in accordance with a decrease or increase of costs, particularly in the wake of wage settlements or changes in the prices of raw and / or other materials. If requested, we will document such changes to the customer.

5. Payments

- 5.1 If no separate arrangements in writing are set up, payments have to be made within 30 days from invoice date without deduction. The criterion for the payment to be on time is the receipt of the money. The deduction of discount presupposes a specially written arrangement.
- 5.2 Bills of exchange and cheques are valid as a payment only after cashing in. They are accepted without obligation to present and protest them on time. Moreover and prior to that, they must be preceded by a special written arrangement. All banking expenses have to be met by the customer.
- 5.3 We are entitled, starting with the beginning of payment delay, to demand interest on arrears at the rate of 7 percent above the base interest rate p. a. regardless of the possibility to assert a higher, actual damage.
- 5.4 The customer can withhold payments or offset them with counterclaims only if these counterclaims are undisputed or legally valid.
- 5.5 Regardless of the terms of accepted and credited bills all our demands become immediately due in case of the customer's payment delay, protested bill or termination of payment. In all of these cases, we are also entitled to execute outstanding deliveries only against pre-payment or security. If the advance payment or security is not provided within two weeks, we are entitled, without granting another deadline, to withdraw from the contract altogether. Further claims remain untouched.
- 5.6 In case of reasonable doubts concerning the solvency of the buyer and subject to further claims, we can ask pre-payments or security for further deliveries and revoke terms of payment granted, in particular with arrears or negative information as to the credit standing of the customer.

6. Delivery Time

- 6.1 If nothing else is agreed upon explicitly, we deliver ex works.
- 6.2 Dates and terms of delivery which can be agreed upon in mandatory or nonbinding ways, must be given in writing. They are agreed upon subject to the correct and punctual delivery of ourselves by our suppliers.
- 6.3 The term of delivery agreed upon is taken to be kept if, at the expiry date, the object of delivery has left the plant or if the customer is informed about the readiness of delivery.
- 6.4 War, strike, lockout, shortage of raw materials and lack of energy, traffic blocks and inevitable operational disturbances, acts of God, governmental decrees or events of raw force, also with respect to our suppliers and insofar as they render an economical management of affairs impossible for a foreseeable time, release us for the duration of the disturbance and to the extent of their effects from the obligation for delivery. Such events entitle us to withdraw from the contract totally or in part; they do not entitle the buyer to damages or compensation.
- 6.5 As far as they can be reasonably expected from the customer, partial deliveries are allowed and must be paid according to conditions.
- 6.6 The liability for damages arising from delay is excluded in the legally allowed frame. A possible delay damage remains limited to the value of the delivery. We explicitly exclude secondary delay damages, costs for cover purchases, missed profit and damage from business interruption. A contract resignation of the customer as a result of delay of delivery is excluded.

7. Danger and Transition of Responsibility, Acceptance in Case of Sending, Delay of Acceptance

- 7.1 The customer has to check thoroughly the delivery immediately on receipt for completeness as well as material and functional suitability and possible defects of the suppliers. He has to inform us in writing about defects, giving substantiated evidence, immediately, at the latest 10 days after receipt. The duty to examine and, if necessary, to expose defects, is not limited to externally recognizable defects. A letter of complaint has to contain an exact specification of the asserted defects. Evidence or proof of defect must be added. The customer may not send back the product of the suppliers without their explicit consent.
- 7.2 Recognizable defects are to be announced to Pulsarlube immediately, otherwise the products are assumed to be faultless in all functions and the delivery as approved. In case of hidden defects, the letter of complaint is to be sent immediately after discovery, otherwise this is also assumed as approved. Pulsarlube can reject the fulfillment of guarantee claims, if defects are not indicated on time and completely.
- 7.3 The buyer has to assert complaints because of transportation damages directly to the transportation company, within the special terms intended for it. Taking out transportation and other insurances is left to the buyer.
- 7.4 If the sending of the delivery is delayed for reasons which lie with the customer, the responsibility for the danger of accidental deterioration and of accidental destruction is transferred to the customer starting with the announcement that delivery is ready. The customer must meet warehouse charges after the responsibility for danger is transferred. Further claims remain untouched.

7.5 If the customer delays acceptance, we are entitled to require restitution of our expenditures originating from the delay. The responsibility for the danger of the accidental deterioration and the accidental destruction of goods is transferred to the customer, starting with the beginning of the acceptance delay.

7.6 Delivered objects are to be accepted from the buyer, even if they show inessential defects, regardless of the rights in No. 9 of these conditions.

8. Reservation of Proprietary Rights

8.1 All delivered goods remains our property (reservation product) up to the fulfillment of all claims, irrespective of the legal reason, due to the legal relationship underlying the delivery.

8.2 In case of processing, connection and mixture of the reservation product with other goods by the customer, we have a right to the joint ownership of the new product in proportion to the relation between the invoice value of the reservation product and the value of the other used goods. If our property is deleted by processing, connection or mixture, the customer transfers, at this point already, his property right, in the new product to the extent of the value of the reservation product and keeps it for us free of charge. The co-property rights originating afterwards are defined as a reservation product in the sense of No. 8. 1.

8.3 The customer is entitled only within the scope of a proper business concern, and as long as he is not in delay, to process the reservation product, to connect with other things and to mix or to resell it. Any other disposal of the reservation product is inadmissible. We must be immediately informed of third party distraints or other interventions concerning the reservation product. All intervention costs must be met by the customer, as far as they cannot be obtained from the third party. If the customer has giving his buyer additional time for payment, he has to reserve, with respect to the buyer, a proprietary right in the reservation product identical with the with the same conditions under which we have reserved ourselves that right with respect to the delivery of the reservation product. Otherwise the customer is not authorized for the further disposal of the product.

8.4 The claims of the customer resulting from the further disposal, e. g. the resale of the reservation product are herewith ceded to us. They serve as security to the same extent as the reservation product. The customer is entitled and authorized for further disposal only if he makes sure that the claims resulting from the disposal are transferred to us.

8.5 If the reservation product, together with other goods not delivered by us, is disposed by the customer for a total price, the cession of the claim from the disposal, takes place to the extent of the calculation/invoice value of our reservation product in question.

8.6 The customer is authorized to collect claims ceded to us until further notice. We are entitled to cancel the authorization if the customer does not meet his obligation to pay within his business connection with us properly. If the conditions for the exercise of the cancellation right are given, the customer, if requested by us, has to inform us immediately about the ceded claims and their debtors, to provide all information necessary for collecting the claims, to hand over to us to the corresponding documents and to indicate the cession to the debtor. We are also entitled to announce the cession to the debtor ourselves.

8.7 If the value of the securities existing for us exceeds the secured demands altogether about more than thirty (30) percent, we are obliged, if the customer so requests, to release, to that extent, securities selected by us.

8.8 If we assert the reservation of proprietary rights, this can be interpreted as a resignation from the contract only if we declare this explicitly in writing. The right of the customer in the reservation product expires if he does not fulfill his obligations from this contract.

9. Liability for Defects

9.1 Claims because of defects presuppose, according to § 377 HGB, that the customer has duly fulfilled his duties of examination and complaint.

9.2 As far as there is a defect in the purchased object, we are entitled to a subsequent performance in the form of a defect removal or to the delivery of a new product free of defect. In the case of the defect removal or the replacement delivery, we are obliged to carry all expenditures necessary for the purpose of the subsequent performance, in particular costs for transportation, roads, labor and materials, as far as these have not increased because the purchased object was brought to a place different from the one originally agreed upon as the place of contractual fulfillment.

9.3 We are liable, according to legal regulations, provided that the customer asserts compensation claims, which are based on intention or gross negligence, including those of our representatives or auxiliary collaborators.

9.4 In the case of simple negligence we are liable only if we injure culpably an essential contract duty. Essential contract duties are duties which grant the parties to a contract those rights which the contract just has to grant according to its contents and purpose, in particular the duties whose fulfillment counts as a prerequisite for the proper realization of the contract and on whose observance the contracting partner trusts and may trust. In this case the compensation liability is limited to the predictable, typically occurring damage.

9.5 As far as the customer is entitled to a claim for the compensation of damage instead of strict contractual performance, our liability is also limited in this framework according to figure according to No. 9.

9.6 The liability because of culpable injury of life, body or health remains untouched; this is also valid for the mandatory liability according to the product liability law.

9.7 Liability is excluded in all cases where the present terms do not rule differently.

9.8 The manufacturer's guarantee amounts 12 month from delivery of the product.

10. Joint Liability

10.1 Liability for compensation and damages going beyond the regulations of § 9 of these conditions is excluded irrespective of the legal nature of the asserted claim. This is valid in particular for compensation claims adducing culpability at the conclusion of the contract, because of neglect of other duties or because of criminal claims for the restitution of damages to property according to § 823 Civil code.

10.2 The limitation as set forth in No. 10 paragraph 1 is also valid in so far as the customer requests neither some form of replacement of or making up for damage nor contractual performance like the delivery of goods, but rather the compensation of useless expenditures.

10.3 As far as our compensation liability is excluded or limited, this is also valid for the personal compensation liability of our employees, representatives and auxiliary collaborators.

11. Place/Court of Jurisdiction – Place of Contractual Fulfillment

11.1 Frankfurt am Main is understood to be agreed upon as the place/court of jurisdiction. We are entitled, however, to sue the customer also in the courts of his residence.

11.2 For these terms, it is the law of the Federal Republic of Germany which must be applied; the validity of the UN-purchase law is excluded. In particular, the law of the Federal Republic is also applicable for international deliveries.

11.3 Provided that the confirmation of an order does not state something different, our place of business is the place of fulfillment.

12. Final Regulations

12.1 The language of the contract is English.

12.2 Should a regulation of these conditions be or become invalid, the other conditions remain effective. The company Pulsarlube and the customer will replace the invalid regulation with another regulation such that, in effective economic terms, it comes as closely as possible to the will of the contracting partners.

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