

Terms and conditions of sale, delivery and payment

Status: January 2007

1. Scope of applicability

- 1.1 These terms and conditions of sale, delivery and payment are exclusively binding on business undertakings as defined in § 14 BGB (German civil code).
- 1.2 All our deliveries and services are exclusively provided subject to the validity of these terms and conditions of sale, delivery and payment. We do not acknowledge any conflicting or otherwise deviating customer terms and conditions unless we have expressly agreed to these.

2. Bids and orders

- 2.1 Bids are subject to change without notice and non-binding unless they have been expressly specified as binding. Estimates of costs are not binding.
- 2.2 Orders are effected subject to our written order confirmation. The latter may also be effected by attaching an invoice to the goods. Should a customer object to the content of an order confirmation, he/she must object to the order confirmation without delay. Otherwise, the contract has been concluded on the basis of the order confirmation in question.

3. Time for delivery

- 3.1 Time for delivery commences on the date of the order confirmation but not before customer has supplied all documents, licenses, and permits required and the deposit agreed has been received.
- 3.2 Time for delivery is deemed observed when, by its expiration date, the item to be delivered has left the factory or its readiness to be shipped has been notified.
- 3.3 Customers may withdraw from a contract by reason of a failure to meet the time for delivery only after they have fixed an appropriate final deadline under threat of rejection for us and delivery has not been effected within this period. This provision does not apply when, in accordance with § 323 para. 2 BGB, the fixing of a time-limit is dispensable.
- 3.4 In cases of undue delays in delivery and gross negligence on our part, we are liable for the customer's damage caused by this default. In the event of simple negligence, our liability for damages caused by delays is restricted to compensation for each complete week of the delay of 0.5% each, limited to a total maximum of 5% of the price of that part of deliveries which, by reason of the delay, could not be used serviceably. Moreover, we are liable for delay damages caused by simple negligence only as from the date when the appropriate final deadline fixed by our customer expires.
- 3.5 In the event that a customer does not collect goods which have been notified as ready for shipment, these goods and costs relating to their storage are invoiced to him commencing one month after notification of readiness for shipment. In the event of storage at our works, however, 0.5% of the invoice amount will be charged for each month. After the fruitless expiration of an appropriate period, we are entitled to use the item of delivery otherwise and to supply customer within an appropriately prolonged term.

4. Prices and packing

- 4.1 Prices mentioned in the order confirmation are decisive. Unless agreed otherwise, our prices are ex works and do not include packing, freight, insurance, customs or VAT.
- 4.2 In the event that, between conclusion of contract and carrying out of the order, costs increase in a way unforeseeable to us (e.g. by increased wage or material costs, introduction or significant increase in taxes or customs), we are entitled to adjust prices within the framework of the new circumstances and without calculating any additional profit.
- 4.3 Packing is calculated on a prime cost basis. Cases, pallets, and crates are credited if returned free of charge and in good condition within four weeks.
- 4.4 Repurchasing of goods, to which BLANCO is not obliged, must be agreed beforehand. All goods must be in their original packing and ready for resale. BLANCO is entitled to set off a 25% handling fee.

5. Passing of risk and shipment

- 5.1 The risk of an accidental loss or deterioration of goods passes to the customer upon delivery. In the event of shipment, risk passes to the customer upon delivery of the goods to the relevant transport person.
- 5.2 When we choose the type of shipment, the route, or shipper, we are only liable for the choice in question in cases of gross negligence.

6. Conditions of payment, set-off and retention

- 6.1 Bills of exchange and checks are only accepted in payment on the basis of an express agreement. Under no circumstances will they be accepted in lieu of payment. Expenses and costs resulting therefrom are to be borne by the customer.
- 6.2 Customers are entitled to set off against undisputed or legally recognized counterclaims only. Customers may assert a right of retention only when this is based on the same contractual relationship.

7. Material defects

- 7.1 Customers are obliged to examine each delivery upon acceptance or receipt without delay and immediately give written notice of identifiable defects to us. Hidden defects must be reported immediately in writing following their discovery. Otherwise, delivery is deemed accepted.
- 7.2 In so far as we are responsible for a defect, we are entitled to subsequently fulfill our obligations at our option either by remedying such defect or by delivering a faultless item. In the event that we refuse subsequent fulfillment, that it has failed, or is unacceptable to the customer, the latter, at his option, may repudiate the contract or demand reduction in the contract price.
- 7.3 Warranty claims are subject to the relevant legal provisions.
- 7.4 In the case of minor defects, customers are not entitled to claim.

8. Damages

- 8.1 We assume liability in cases of willful intent or gross negligence. In the event of simple negligence, we only assume liability when it infringes fundamental contractual obligations arising from the contract's nature or such infringement compromises the contractual intention. Also in this case, compensation for damage is limited to the contract-typical, foreseeable damage. Otherwise, claims for compensation of damage from simple negligence (no matter on which legal ground) asserted by customers are excluded.
- 8.2 The aforementioned limitation of liability does not apply to claims arising from product liability law, or from injury to life, body or health.
- 8.3 Neither does the limitation of liability apply in the event of those damages for material defects where we have concealed a defect malevolently or guaranteed a certain condition of the item. The limitation rules regarding claims for damage for material defects are subject to the regulation under 7.3.

9. Reservation of title

- 9.1 We reserve title to any and all goods delivered by us until full payment of all claims accrued within the framework of the whole business relationship. These claims include obligations from checks and bills of exchange as well as current accounts. In the event that, in connection with a payment, a liability from a bill of exchange has been created on our side, reservation of title does not lapse before claims against us arising from the bill of exchange are excluded.
- 9.2 In the event that, in connection with a payment, a liability from a bill of exchange has been created on our side, reservation of title does not lapse before claims against us arising from the bill of exchange are excluded. Cancellation of contract is not a prerequisite for any such reclaim.
- 9.3 Customers are, with the proviso of a revocation permissible for cause, entitled to dispose of delivery items within the proper course of business. In the event of resale, customer hereby assigns any and all claims from reselling to us, particularly pecuniary claims but also other claims in connection with the resale in the amount of the total amount invoiced (including VAT). This applies regardless of whether the delivery item has been resold without or after processing. Until our revocation permissible for cause, customer is entitled to recover the claims assigned upon trust. We are entitled for cause to inform third-party debtors of an assignment of claims, also in the name of the customer. The customer's authority to recover lapses upon notification of the assignment to the third-party debtor. In the event of a revocation of the authority to recover, we may demand that the customer inform us about all claims assigned including their debtors, make all statements necessary for collection, submit corresponding documents, and inform all debtors about the assignment.
- 9.4 Processing and subsequent treatment of delivery items through customers are invariably effected on our behalf. We are regarded as producer in the sense of § 950 BGB without further obligation. Should the delivery item be processed with items not belonging to us, we acquire co-ownership of the new object in the ratio of the delivery item's value to the value of the other items processed during manufacturing. Otherwise, such items created by processing are subject to the same regulations as items delivered with reservation.
- 9.5 Should the delivery item be mixed or blended with other items not belonging to us, we acquire co-ownership of the new object in the ratio of the total amount invoiced for the delivery item to the value of the other mixed or blended items at the time of mixing or blending. Should such mixing or blending be effected in a way that the customer's item is regarded as the main part, it is hereby understood and agreed that the customer assigns co-ownership to us on a pro rata basis. Customer holds on trust sole or co-ownership on our behalf.

10. Place of performance, legal venue, applicable law

- 10.1 The place of performance as to delivery and payment for both parties is the registered office of our company.
- 10.2 The legal venue for any and all litigation arising from this contractual relationship or from its coming into being or validity in the case of merchants for both parties is the registered office of our company. At our option, we may also bring an action at the customer's registered office.
- 10.3 The contractual relationship is subject to German law exclusively.