

General Terms and Conditions of Business

1. General information, offers and orders

We make offers and perform services exclusively in accordance with these Terms and Conditions. Buyer's terms and conditions shall only be considered to be valid if we have acknowledged them in writing. Such acknowledgment shall be implied neither by our failure to respond to terms and conditions sent to us, nor by our fulfilling an order. At the latest with the acceptance of our goods or services, or our order, Buyer or Supplier shall also accept these Terms and Conditions. All offers are made without obligation and subject to confirmation, and do not imply an obligation to accept an order. In the event of errors in catalogues, price lists, order confirmations or invoices, HSM shall reserve the right to make corrections and demand additional charges without prior notice. Drop-shipment only in consultation.

2. Prices

Our prices are quoted without value added tax. Should decisive cost factors change after we have placed or fulfilled an order and before delivery, then Buyer and Supplier shall come to an agreement on adjusting the prices.

3. Shipment

Goods shall be shipped on account and at the risk of Buyer. Insofar as nothing to the contrary has been agreed, Supplier shall select the packaging, the type of shipment and shipping route to the best of Supplier's judgment. Buyer's shipping and packaging regulations shall only be considered to be binding if they have been agreed in writing and if Buyer pays additional costs. Should a shipment be delayed at Buyer's behest, then the risk shall be transferred to Buyer as soon as the goods are ready for shipment. We shall be entitled to charge Buyer the costs arising from storage in our plant, at the least, however, 0.5 % of the invoiced amount for each full month. If appropriate, we shall be entitled, after having set and awaited in vain the expiration of an adequate time period, to dispose otherwise of the goods intended for delivery and to supply Buyer within a reasonably extended period of time.

4. Supply

With reservation as to express agreements to the contrary, all supply periods indicated shall be considered to be without obligation. We shall not be bound by any fixed supply deadlines Buyer may set for us. Partial deliveries shall be permitted. The supply deadline shall be considered to have been met if the object intended to be supplied has left the company or if readiness for shipment has been announced within the agreed time period. The supply period shall be extended by a reasonable amount of time if our supplies or services should be delayed owing to circumstances beyond our control, including breakdowns, strikes, lockouts, traffic conditions or other definitively unforeseeable obstacles which should occur on our part or on the part of our suppliers, insofar as such obstacles can be proven to be of substantial influence on the production or provision of the goods or services intended for supply. This shall also apply if such events should occur at a time at which we are already in default. We shall inform Buyer as soon as possible of the beginning and end of such events. Claims for damage due to delayed or terminated supply shall be excluded to the extent allowed by law.

Should the extension of the supply period cause substantial change to the cost situation on which we based the respective offer at the time we made it, or if performing the service should otherwise be unacceptable for us, we shall be entitled to withdraw in full or in part without thereby granting Buyer the right to claim for damages. This shall in particular apply when we have not been supplied by our own supplier, despite having concluded appropriate contracts. Buyer must accept and pay for all services performed up to such time.

Supplier shall only take back by an accommodating arrangement items already supplied if such items are in faultless condition and delivered c/p within an agreed period of time. Supplier shall be entitled to invoice appropriately any costs arising from the acceptance of such returns.

5. Payment

The payment of our invoices must be made in advance or CAD. Special arrangements are only valid in written form. The buyer is not entitled to withhold payment or to charge against any counterclaims, unless this is acknowledged by us or has been determined legally.

6. Reservation of ownership

Buyer shall not acquire ownership until all claims arising from the business relationship have been discharged. This shall also apply if the purchase price for certain deliveries of goods designated by Buyer has been paid. If accounts are open, the reservation of ownership shall apply as security for the balance claim. Buyer shall be allowed to use or resell the goods within the scope of proper business transactions as long as Buyer discharges all contractual obligations to us. Buyer shall not be entitled to pawn the goods or assign them as security, and must inform us without delay of every intrusion of third parties into our right of ownership. Should Buyer's obligations toward us not be fulfilled, we shall be entitled to demand that the goods be surrendered. By purchasing the goods, Buyer shall transfer to us all claims against customers arising from the resale of the goods, including all accessory rights. Buyer shall be entitled to collect all assigned claims as long as Buyer discharges the obligation to make payment to us. At the request of Supplier, Buyer must report the debtors of the assigned claims and notify the latter of the assignment.

7. Furnishing of Security

Should agreed payments not be received on time or should circumstances become known to us which could be predisposed to reduce substantially Buyer's creditworthiness, then we shall be entitled, regardless of further claims, to demand payment in advance or adequate security for our claims before effecting further supply, or to withdraw from the contract if no security should be given.

8. Warranty and other liabilities

Buyer must inspect the goods supplied upon delivery and report any defects without delay. In the event of a redhibitory defect, we shall at our discretion choose between remedying the defect, supplying a replacement or granting credit in the amount charged to Buyer for the defective product. We shall not be liable to compensate any expenses or costs arising to Buyer on the occasion or within the scope of identifying and eliminating defects in goods we supply. We shall not be responsible for defects due to interference by Buyer or third parties. This shall in particular include improper or negligent handling and natural wear and tear.

9. Place of fulfillment and legal venue

The place of fulfillment for all supplies and payments shall be Esslingen a.N. The legal venue for all disputes arising from this contractual relationship shall be Esslingen a.N. This shall also apply to claims arising from bills of exchange or checks, as well as to claims and third party notices, as well as summary proceedings. We shall also be entitled to take legal action against Buyer at Buyer's own place of general jurisdiction.

10. Final provisions

All orders shall be accepted or fulfilled in accordance with the above Terms and Conditions. By placing orders, Buyer shall expressly acknowledge these Terms and Conditions. Should one or more of these provisions be without legal force, this shall not affect the legal force of the remaining provisions. They must be replaced by an effective provision which fulfills the same commercial intent and purpose.