

### 1. Scope of Application

The following terms and conditions apply only to dealings with companies in terms of § 14 BGB. Statutory provisions according to § 13 BGB apply to consumers. All Berrang's services and deliveries are exclusively provided according to these Terms of Sale, except if agreed otherwise in writing. Conflicting, deviating or exceeding business terms remain ineffective, even if Berrang has not expressly objected to the terms. Berrang's Terms of Sale also apply if Berrang unconditionally carries out the buyer's delivery despite being aware of the buyer's conditions conflicting with or deviating from Berrang's Terms of Sale.

### 2. Quotes

Berrang's quotes are always without obligation and subject to change. Invoicing is done at the prices effective on the day of delivery. Prices are quoted without VAT, which is applied separately at the tax rate valid at the time of delivery.

Should prices for wages, material or other costs increase during production, Berrang reserves the right to adjust the agreed prices accordingly.

All orders require Berrang's written confirmation to become effective. Electronic documents are considered equal to the written form. Invoicing or delivery is deemed to be acknowledgment.

### 3. Delivery time

Delivery time is approximate and without obligation; it is calculated from the date of order acknowledgement. This does not apply if technical questions remain to be clarified at the time of order confirmation. In this case, the quoted delivery time does not commence until all technical questions have been ultimately clarified.

Meeting Berrang's delivery commitment also requires the buyer to fulfil his duty to co-operate in a proper and timely manner. Partial deliveries are permitted.

In so far as circumstances for which Berrang is not responsible complicate, delay or make it impossible for Berrang to carry out an accepted order, Berrang is entitled to postpone the delivery/remainder of the delivery by the duration of the hold-up, or to withdraw in whole or in part from the contract. If Berrang is responsible for the delay in delivery, the ordering party is only authorized to withdraw from the contract if the delivery has not been made within a reasonable period of grace – of however at least 14 working days– granted by the buyer. Unless otherwise arranged, the buyer must accept call-off goods within 10 weeks after the ordering date at the latest. If he fails to do so, Berrang is entitled, after granting a grace period of 2 weeks, to invoice the goods without prejudice to other rights.

Any claim to damages by the buyer due to delayed delivery is subject to the restrictions in no. 9.

### 4. Shipping

Shipping is always on the buyer's own account and at his own risk (Incoterms 2000 EXW the respective shipping warehouse), even in the case of carriage-paid delivery (CPT destination). Berrang does not provide insurance.

Returned goods will only be accepted after prior arrangement with Berrang.

### 5. Packaging

Packaging is charged at cost price. Berrang does not take back packaging material, provided this is permitted by law.

### 6. Reservation of Title

Berrang retains ownership of the property they delivered as well as of the new property resulting, for instance, from processing the delivered goods until all due claims against the buyer have been met.

In this respect all deliveries are regarded as one delivery transaction. With a running account the retained title is considered as security for the balance due.

If the buyer incorporates the goods into other items, and if the other object must be regarded as the main component, the buyer must grant Berrang proportionate co-ownership, provided the main component belongs to the buyer. If the buyer sells the delivered goods as intended, he thereby instantly transfers the claims against his buyers arising from the sale along with all ancillary rights to us until all our receivables have been completely settled.

At Berrang's request and for valid reasons, the buyer is obligated to notify the third-party buyers of the assignment of claims, and the buyer will provide to Berrang the information and hand over the documents required for Berrang to enforce their rights.

Berrang will release the withheld securities in so far as their value exceeds the receivables to be secured by more than 20% in total.

### 7. Payment

Berrang's invoices are due for payment within 14 days of the invoice date and receipt of goods at a 2% discount or within 30 days net. Checks are accepted subject to their redemption and only on account of performance.

The acceptance of checks does not defer Berrang's claims, unless this is expressly agreed in addition. Berrang reserves the right to charge the usual bank interest after a period of 30 days. Should justifiable doubt arise for whatever reason concerning the purchaser's solvency or his creditworthiness, then all claims against the purchaser to which Berrang is entitled for whichever cause in law and notwithstanding other agreements, without prejudice to further-reaching or other claims Berrang is entitled to for that reason, will immediately become due for payment. In such an instance, Berrang is furthermore entitled to withhold agreed deliveries and services not yet performed, or only to perform them upon immediate cash payment or to withdraw in whole or in part from existing contracts, until all overdue receivables have been paid.

Only claims that are uncontested by Berrang or legally binding may be offset against Berrang's claims. The assertion of a right of retention by the buyer in so far as it is based on claims that do not arise from claims under the same contract is also inadmissible.

Other terms of payment must be mutually agreed in writing.

## 8. Warranty

### a. General

Purchase orders are performed according to specifications of the buyer and the respective drawings.

If non-conforming goods are shipped, Berrang shall be at their discretion only liable to the extent that Berrang provides either a replacement, re-work or grants a credit note on return of the goods. Any claim to damages by the buyer due to non-conforming goods is subject to the restrictions under no. 9.

Berrang considers the goods delivered in compliance with the contract concerning the type and quantity, unless the buyer informs Berrang in writing of any deviations from the terms of the contract within a week of delivery. Customized products, exceeding or falling short of the contract volume by 10% are considered to be in conformity with the contract.

The buyer must inspect the goods for non-conformances immediately after receipt, insofar as this is feasible in the regular business routine and to immediately advise Berrang of any non-conformances discovered.

Later notices of defects can only be considered, if they refer to hidden non-conformances.

The buyer shall provide warranty claims in writing, specifying the detected non-conformances in a verifiable form. The warranty period is 12 months.

The use and processing of goods is solely the buyer's responsibility. Berrang's technical consulting and verbal and written description of the products is considered only as non-binding information and does not exempt the purchaser from testing the goods himself for their suitability for the intended purpose or process.

### b. Special applications

Since Berrang does not have an overall knowledge of the application and the requirements of the application, the customer is urgently requested to consult the available technical standards concerning the applicability of his order and sufficiently test the parts.

Any special requirements for quality inspection are to be specified before conclusion of the contract.

The customer bears the risk for any damages out of incidents, resulting from the unsuitable application of items provided by Berrang. Berrang will not accept any liability for this and the customer therefore releases Berrang from any third-party claims, insofar as incidents can be attributed to the unsuitable application of the products.

### c. Hydrogen embrittlement

During production, hydrogen atoms may penetrate into the structure of steel fasteners, which may consequently cause hydrogen induced cracking or hydrogen induced embrittlement. A critical combination of material-, production- and coating-related variables (see DIN 50969-1) may lead to these damages. All high strength steel fasteners are susceptible to hydrogen induced cracking and even failure of the part.

This is a risk, which can currently not be excluded according to state-of-the-art engineering. The remaining risk for such a design is borne by the buyer.

Berrang can thus not be held liable to ship parts, for which a hydrogen embrittlement induced failure can be excluded. Failure caused by hydrogen embrittlement will therefore not lead to any warranty or liability claims. The buyer releases Berrang from any third-party claims, insofar as incidents relate to hydrogen embrittlement.

### d. Parts with special technical delivery conditions

Parts with special technical delivery conditions must be explicitly designated as such in the inquiry and in the purchase order from the buyer. Technical delivery conditions or instructions provided to Berrang only be means of a drawing or as part of enclosed conditions or by any other means shall have no effect. Unless explicitly written in the buyer's order, Berrang does not guarantee the delivery of goods in accordance with the special technical delivery conditions.

## 9. Liability

Unless other liability regulations are specified in another part of these Terms of Sale, Berrang is only liable as follows for compensation of the damage, which directly or indirectly occurred to the buyer due to a non-conforming shipment or for any other cause in law that may be attributed to Berrang.

Liability for damages is strictly only given, if Berrang is responsible for the damage Berrang caused.

If claims for product liability which the buyer could not limit towards his customer are brought forward against the buyer regardless of negligence or fault, Berrang will accept liability towards the buyer to the extent to which Berrang would also be held directly liable. The stipulations of § 254 BGB apply accordingly for the compensation of damages between the buyer and Berrang. This also applies in case a claim is made directly against Berrang.

Liability to pay damages is excluded insofar as the buyer himself has efficiently limited his liability towards his customer. The buyer should bear in mind to negotiate a limitation of liability in a legally permissible amount also in favour of Berrang.

Claims of the buyer are excluded if the damage can be attributed to a violation of operation -, maintenance - and assembly instructions, unsuitable or improper use, incorrect or neglectful treatment, natural wear and tear or incorrect repair.

When determining the amount of the claim to be compensated by Berrang, the following factors are to be adequately taken into consideration in favor of Berrang: Berrang's economic circumstances, scope and duration of business relations, possible share of causation and / or of fault of the buyer according to § 254 BGB and a particularly unfavorable assembly situation of the part. In particular, the amount of the compensation, costs and expenditures to be assumed by Berrang, must be in adequate proportion to the value of the supplied part.

Berrang's liability – regardless of the cause in law – is limited to damages, which Berrang or her vicarious agent caused deliberately, by gross negligence or by ordinary negligence in violation of obligations essential to the fulfilment of the purpose of the contract.

If obligations essential to the fulfilment of the contract were violated by ordinary negligence, the amount of Berrang's liability is limited to damages typical to comparable type of business and which were foreseeable at conclusion of the contract or at the latest with begin of the violation of obligations.

Claims for damages according to the product liability act, because a guarantee of quality is missing or due to harm to life, body or health, remain unaffected.

A change of the burden of proof to Berrang's disadvantage is not connected with this regulation.

### 10. Place of performance, legal venue and governing law

The place of performance for payments and deliveries is Mannheim notwithstanding any agreement for carriage-paid delivery.

For all mutual claims arising from the business relationship, Mannheim is agreed as the legal venue.

In any case, only German law is applicable, excluding those standards referring to foreign law. The application of standardized laws governing the international sale of movable property and governing the conclusion of international contracts of sale of movable property – both dated 17 July 1973 – as well as the United Nations Convention of 11.04.1980 on contracts for the international sale of goods, is excluded, as well as any consecutive regulations.

### 11. Concluding provision

Should individual provisions of these terms and conditions of sale be invalid, or become invalid due to an amendment of the law, the remaining provisions shall remain unaffected. If possible, the invalid provision shall be amended, converted or interpreted in such a way that it fulfils the business purpose that was intended by it, under consideration of current law.

**Berrang SE**  
Elsa Brändström-Strasse 12  
68229 Mannheim  
Germany

T: +49 (621) 8786-0  
F: +49 (621) 8786-400

E: mannheim@berrang.de  
www.berrang.de