

Terms of Payment and Delivery

I. General Terms

Our terms of payment and delivery which our customer, unless it is a consumer as defined by § 13 BGB (Civil Code), accepts by placing an order, shall exclusively apply to all offers, agreements and deliveries i.e. for this transaction as well as for any future transactions even if on the conclusion of those transactions our terms of payment and delivery are not expressly referred to or they are not agreed upon separately. Diverging, opposing or complementing general terms and conditions, even if known, shall not become part of a contract unless we expressly confirm their applicability in writing.

Oral commitments given by our agents or staff as well as any other agreements, particularly if they modify the present terms, shall be valid only if confirmed in writing.

II. Quotation

Our quotations are without engagement. Illustrations, dimensions and indications of weight as well as data printed in other publications are only approximate information and not binding. We reserve technical modifications as well as reasonable changes in form, colour and/or weight. When ordering goods, the customer declares bindingly its intention to purchase the goods ordered. We are entitled to accept the offer of contract contained in the order within two weeks of receipt. Acceptance can be declared either in writing or by delivery of the goods to the customer.

III. Delivery

The agreed delivery periods are not binding. They shall be binding only if they are expressly confirmed by us as binding in writing. The delivery period shall be observed if, by the time of its expiry, the item of delivery has left our warehouse i.e. the customer has been notified about its readiness for shipment. Has an unbinding delivery date been exceeded by more than six weeks, the buyer shall be entitled to order us in writing to deliver within a reasonable period of time. If the purchased item is not delivered by us by expiry of the additional period, either, the customer can cancel the contract by written declaration. The buyer can only claim compensation for loss

occasioned by delay or damages for non-performance if we are liable for damage caused intentionally or by gross negligence. In such cases the claim to deliver subsequently is excluded. Within the delivery periods partial consignments are allowed. Shipments executed by subcontractors shall be accepted by the buyer. No further claims, particularly for subsequent delivery and/or damages, regardless of their legal ground, are granted unless we are liable for damage caused intentionally or by gross negligence. In events of force majeure, particularly strikes, lockouts, shortage of raw material, operational breakdown, traffic breakdown, and any measures of the authorities, the period of delivery shall be extended reasonably. In such unexpected events, we shall have the right to cancel the agreement in part or completely if the events considerably change the scope of performance. In such cases, the buyer may order us to declare whether we intend to carry out the agreement within a reasonable period of time. If we fail to make a declaration in reply, the buyer may withdraw from the contract. Claims for compensations of the buyer are excluded unless we are liable for damage caused intentionally or by gross negligence.

IV. Passing over of risk

For all shipments the risk shall pass over onto the buyer when the goods are received by the forwarding agent /carrier.

V. Warranty, liability for defects, limitation on liability

On our products we grant to the final customer a two years' warranty starting from the date of purchase. This warranty covers all major defects of the devices proved to be caused by defects of material or workmanship. Compensation is granted at our choice by replacement delivery of a device in perfect condition or by repair of the returned device if the following requirements are met:

- The device has been handled properly and according to the user's instructions. Neither the buyer nor an unauthorized third party has tried to repair the device.

- The warranty expires if, as replacement or additional parts or as accessories, other than our genuine parts or spare parts approved by us are used .
- The device has been sent direct to one of our customer service agencies, prepaid sufficiently with the fully completed warranty card enclosed.
- If we grant a warranty, this does not result in an extension of the warranty period.

We do not give a warranty for defects due to wear and tear in proper use.

This manufacturer's warranty does not affect warranty claims of the final consumer against the wholesaler / retailer.

We grant warranty to our customers according to the legal provisions. We reserve, however, in the case of damaged or faulty consignments, the right to remedy a defect or send a replacement for the delivered goods at our choice. Only if we have failed three times to remedy a defect or send a replacement, our customer shall be entitled to demand a reduction of the purchase price or withdraw from the agreement (rescission of sale). Further claims of our customers, in particular for direct, indirect or consequential harm caused by a defect, regardless of the legal ground, especially by delayed delivery, are excluded unless we are liable for damage caused intentionally or by gross negligence. This limitation on liability does not apply in cases of injury to a person's life, body, and health or gross negligence. In addition, we are not liable for damages, regardless of the legal ground, unless we are liable for damage caused intentionally or by gross negligence. This exclusion of liability does not apply in cases of injury to a person's life, body, and health or gross negligence, either.

VI. Reservation of ownership

We retain title to the goods supplied until our receivables, including those occurring in the future on whatever legal ground, are fully paid, even if payment is made for claims specifically designated. In current accounts the title retained is considered security for our outstanding balance. The buyer may only sell our property in the ordinary course of business and as long as it is not in arrears. The buyer may only resell the reserved goods under the condition that the receivables arising from the sale of the reserved goods are assigned to us immediately and his customers cannot set off the receivables from the sale against counterclaims. The buyer has no right to

dispose of the reserved goods otherwise, he, in particular, must not pledge or transfer them by way of security. Should we learn about circumstances which could reduce the customer's credit standing, we can, after lapse of the granted extension, deny the sale of the goods supplied with retention of title at any time and demand them to be returned at the customer's expense. In this case, the customer has to compensate us for additional freight, postage and other expenses as well as a possible loss of value. The buyer has the right to collect receivables arising from the sale until we revoke it. At our request the customer is obliged to disclose to his customers the assignment of the claim to us and to furnish to us proof of that notification as well as to send to us the information and documentation necessary for the collection of the assigned claims. If the value of the securities assigned to us in total exceeds our claims by more than 20 %, we shall be obliged, at the buyer's request, to release a corresponding part of security at our choice. The rights from the reservation of ownership and all special forms of security as stipulated in this clause shall apply until all contingent liabilities to the buyer are fully satisfied.

VII. Terms of payment

In principle, payment must be made within 30 days of date of invoice without deduction. If the credit period is exceeded, we shall be entitled to claim interest amounting to eight per cent above the respective base interest rate without a separate reminder. Interest is to be calculated at a higher rate, if we furnish proof of a burden with a higher interest rate. Only if expressly agreed, do we accept, by way of payment, bills of exchange stating the value date of the day when we can dispose of the amount payable, i.e. under the condition that the bill of exchange can be discounted. If this is not the case, we reserve the right to return the bills of exchange to the customer and claim payment in cash. We do not accept responsibility for timely presentation, protest, notification and return of the bill of exchange if it is dishonoured unless we are liable for damage caused intentionally or by gross negligence. Stamp duty, discount charge, expenses, and interest are always due at once. We are entitled to assign the claims arising from our business relation. If, after conclusion of the agreement, circumstances come to our knowledge which reduce the buyer's creditworthiness, all our claims shall fall due immediately on expiry of a time limit regardless of the maturity date of the bills of exchange accepted by us. We are entitled to claim

securities. After lapse of an extension granted by us, we are entitled to withdraw from the agreement and claim damages for non-performance. Our claims can only be set off against if the counterclaim has not been contested or if a valid title has been furnished. The buyer can only claim a right of retention if it arises from the same contractual relationship.

VIII. Limitation on liability

If not agreed otherwise above, in cases of slight negligence, our liability is limited to the direct typical contractual average damage, predictable depending on the type of goods.

In cases of slightly negligent violation of minor contractual obligations we do not accept liability. In particular, any and all further claims of the customer against us are excluded. This applies especially to claims for damage due to breach of duties arising from the contractual obligations and from tortuous acts. We therefore do not accept liability for damages that do not concern the supplied goods themselves. Above all we do not accept liability for the customer's loss of profit or property.

The above mentioned limitation on liability does not affect the customer's product liability claims. Further this limitation on liability does not apply in cases of injury to the customer's body and health or loss of life.

Damage claims based on defects are time-barred after one year after receipt of goods. This does not apply if we are liable for fraudulent intent.

IX. Miscellaneous

Our company domicile shall be the place of performance. Our company domicile is not the exclusive venue for all present and future claims from the business relation including claims based on bills of exchange and cheques. We have the right to file legal actions against the buyer at the latter's general venue as well.

The law of the Federal Republic of Germany is exclusively applicable. The provisions of CISG do not apply.

Should parts of our terms be invalid, this shall not affect the validity of the remaining ones.

We will record the data necessary for proper performance in our data processing system.

Witten, January 2010

GLORIA

Haus- und Gartengeräte GmbH