

We only make regular deliveries to resellers and/or commercial consumers. The following General Terms and Conditions therefore apply to this group of persons (entrepreneurs) and legal persons under public law or special public assets within the meaning of § 310 (1) of the German Civil Code (BGB). All our offers and purchase and delivery contracts concluded with us are based solely on our General Terms and Conditions. Any deviations from these General Terms and Conditions require our express written approval.

I. Scope of supply

The scope of supply shall be based on our written order confirmation. A deviation from the scope of supply (especially for custom-made articles) shall be permitted as long as there is no major difference from the agreed scope of supply and the deviations are reasonable for the customer. Partial deliveries shall be permitted if they do not lead to any disadvantages regarding use of the goods. During the delivery period, we shall reserve the right to make design and shape changes, which are due to an improvement in the state of the art or to legal requirements, provided the changes in the delivery item are minor and they are reasonable for the customer.

II. Delivery terms/Passing of risk in the case of shipment

(1) When the net value of the goods is less than € 250,- we shall deliver ex works, excluding freight, postage and packing. In the case of small orders with a net goods value less than € 50,- we shall reserve the right to calculate a minimum quantity surcharge. When the net value of the goods exceeds € 250,- we shall deliver from Germany free destination (receiving station) or free German frontier, including freight, postage, packing (excluding carriage and local delivery charges, as well as costs for incidental charges such as couriers, express delivery, cash on delivery, etc., which shall be calculated separately). This shall not include drill rigs, soil augers and accessories, which shall always be delivered ex works, excluding freight, postage and packing. This provision shall also apply to other goods with a heavier weight and larger dimensions, which do not form part of our normal drill and tool product range. When the net value of the goods is more than € 1,500,- we shall deliver FOB German airport or port.

(2) In the case of deliveries from our depots, we shall levy a reasonable surcharge for prior carriage charges and warehouse service (maximum 5% of the net goods value). Packaging shall become the property of the customer and shall be charged by our company. Postage and packing costs shall be invoiced separately.

(3) The dispatch method shall be chosen at our best discretion. When the goods are sent to the customer, but at the latest when they leave the factory/warehouse, risk of accidental loss or accidental deterioration of

the goods shall pass to the customer, irrespective of whether delivery is effected by our company or a third party commissioned by us, and irrespective of who pays the freight costs. Transport insurance shall only be provided at the express request of the customer and in return for payment. Transport damage shall be reported immediately to the carrier.

(4) In the case of direct delivery to third parties (for example to the customer of the customer) we charge a service fee of 7.50 euros per order plus shipping costs.

(5) In the case of an express delivery, the order must be submitted by 12:30 hrs to guarantee the same day delivery.

III. Prices and price changes

(1) All prices shall be shown in Euro per unit (piece, set, etc.) plus statutory VAT.

(2) Price changes after conclusion of the contract shall be permitted if a period of more than three months has elapsed between the date of conclusion of the contract and the agreed delivery date. If wages, material costs, sales costs or market cost prices then rise before completion of the delivery, we shall be entitled to increase the price by a reasonable amount based on the cost increases.

IV. Payment terms

Our invoices shall become due for payment within 10 days less 2% discount or in 30 days after delivery without any deductions. Invoices under € 50,- shall become due for payment immediately without any deductions. If the customer fails to pay on time, default interest amounting to 8% above the basic interest rate shall become due in accordance with § 247 of the German Civil Code (BGB). We shall expressly reserve the right to enforce a claim for further damage. Payments made by cheque or bill of exchange shall only be considered as made when honoured.

V. Reservation of title

(1) We shall reserve title to the supplied goods until all claims from the delivery contract have been paid in full. If the customer infringes the contract, in particular by delays in payment, we shall be entitled to recover the goods after issuing a warning. The customer shall be obliged to return the goods in this case. Assertion of the reservation of title and recovery of the delivery items by us shall not be regarded as withdrawal from the contract.

(2) The customer shall be entitled to resell the delivery items in the ordinary course of business. However, the customer shall now assign to us all claims amounting to the purchase price (including VAT) agreed between our company and the customer, which accrue to the

customer through resale of the goods, i.e. irrespective of whether the delivery items are resold without processing or after processing. The customer shall be empowered to collect this claim after its assignment. Our authority to personally collect the claims shall not be affected as long as the customer duly complies with his payment obligations and is not in default of payment. If this is the case, however, we may request the customer to stipulate the assigned claims and their debtors, provide all the information required for collection, hand over the related documents and inform the debtors (third parties) about assignment.

(3) We shall reserve the right to withdraw from the contract or terminate our obligation to perform if we become aware of a currently existing or future poor financial situation of the customer.

VI. Warranty

(1) Warranty claims by the customer shall presuppose that he has duly complied with his obligation to inspect the goods and notify defects in accordance with § 377 of the German Commercial Code (HGB).

(2) Defect claims by the customer shall become statutebarred in 12 months after acceptance of the delivery item. The above provisions shall not apply if longer periods are legally prescribed in § 438 (1) No. 2, § 479 (1) and § 634a (1) of the German Civil Code (BGB). Our permission shall be obtained before goods are returned at any time.

(3) If, despite all care being taken by our company, the delivered goods contain a defect which already existed at the time that risk was passed, we shall have the choice of either reworking the goods or delivering replacement goods subject to receiving notification of the defect in good time. We shall always be given the opportunity to effect supplementary performance within a reasonable period of time. Recourse claims shall remain unaffected by the above provision without restriction.

(4) If we are unable to rectify a defect covered by our warranty obligation or if additional rework attempts are unreasonable for the customer, the customer may request – irrespective of any compensation claims – withdrawal from the contract or a reduction in the purchase price instead of rework.

(5) Defect claims shall not arise if there is only a slight deviation from the agreed state of the goods or if their usability is only slightly impaired. Defect claims shall also not arise in the case of natural wear or tear and with damage which occurs after passing of risk due to incorrect or negligent handling, excessive force or special external influences which are not covered by the contract.

(6) Claims by the customer in connection with expenses required for the purpose of supplementary performance, especially transport costs, travelling expenses,

labour costs or material costs, shall be excluded if the expenses increase because the goods supplied by our company were brought later to a place other than the customer's branch, unless the movement of the goods corresponds to their intended use.

(7) Recourse claims by the customer against our company shall only arise if the customer has not concluded any agreements over and beyond legally compelling defect claims with his customer. Subparagraph 6 shall apply analogously to the amount of the customer's recourse claim.

(8) Unless the claims relate to death, physical injury or damage to health, our liability shall only extend to cases of intent and gross negligence. This provision shall also apply to compensation claims for damages in tort and to actions by our subcontractors and vicarious agents.

VII. Place of performance and place of jurisdiction

The place of performance and place of jurisdiction for all participating contracting parties shall be Remscheid. German law shall apply to the exclusion of the UN Convention on the International Sale of Goods, even if the customer's head office is outside Germany.

VIII. Miscellaneous

If individual clauses of these General Terms and Conditions are or become invalid, or if they contain a loophole, the validity of the other clauses shall not be affected.