



JK DEFENCE & SECURITY PRODUCTS GMBH

General Terms and Conditions of Business (As of January 2015)

I. Scope of application

1. The following conditions apply to all contracts concluded between the purchaser and us on the delivery of goods. They also apply to all future business relations, even if they have not been expressly agreed on. Deviating terms of the purchaser which we do not expressly recognise are not binding for us, even if we do not expressly object to them. The following conditions also apply if we carry out the purchaser's order without reservation while being aware of contradictory or deviating terms of the purchaser.
2. In the contracts, all agreements met between the purchaser and us for carrying out the sales contracts are recorded in writing.
3. In individual cases, written agreements met between the contractual parties (also collateral agreements, supplements and amendments) shall in any case have precedence over these business terms and conditions.
4. Our offers are exclusively aimed at commercial customers. Consumers within the meaning of Section 13 BGB (German Civil Code) are not supplied.

II. Offer and conclusion of contract

1. We can accept an order of the purchaser which qualifies as an offer to conclude a sales contract within two weeks by sending an order confirmation or by sending the ordered products within the same time period.
2. Our offers are subject to confirmation and non-binding, unless we have expressly stated them to be binding.
3. We reserve our property rights, copyrights and other intellectual property rights to all illustrations, calculations, drawings as well as other documents. The purchaser may only pass these on to third parties with our written consent, regardless of whether we have marked them as confidential.

III. Terms of Payment

1. Our prices are ex works without packaging if the order confirmation states nothing else. Our prices do not include the legal value added tax. We will show it separately in the applicable rate in the invoice on the day of the service provision.
2. Price changes without prior notification of the purchaser remain reserved if after conclusion of the contract, cost reductions or cost increases arise, especially due to wage agreements or increases in the price of materials.
3. A discount deduction is only permissible with a special written agreement between us and the purchaser. The purchase price is net (without deduction) immediately payable upon receipt of the invoice by the purchaser, if no other payment term is given in the order confirmation. A payment is only considered made when we can dispose of the amount in question. In the case of payment by cheques, the payment is only considered made when the cheque has been cashed.
4. If the purchaser is in delay with payment, the legal regulations apply.
5. The purchaser is only entitled to set off, even if defect notices or counterclaims are asserted, if the counterclaims are legally established, are acknowledged by us or are beyond dispute. The purchaser is only entitled to exercise a right of retention if his counterclaim is based on the same contractual relationship.

IV. Delivery time and time of performance

1. Delivery dates or deadlines which have not been expressly agreed on as binding are exclusively non-binding information. The delivery time given by us only begins when all orders, documents, information and permits to be sent by the purchaser are received and all technical questions are clarified. Likewise, the purchaser has to fulfil all obligations incumbent on him in an orderly and timely fashion.
2. If the underlying sales contract can be considered a time bargain within the

meaning of Section 286, Paragraph 2, No. 4 BGB (German Civil Code) or Section 376 HGB (German Commercial Code), we are liable within the legal provisions. The same applies if the purchaser is entitled in consequence of a delay in delivery for which we are responsible to assert the discontinuance of interest in the further contractual performance. In this case, our liability is limited to the foreseeable, typically occurring damage if the delay in delivery is not based on an intentional violation of the contract caused by us, whereby a fault of our representatives or vicarious agents is to be ascribed to us. Likewise, we shall be liable towards the purchaser in case of delay in delivery according to the legal provisions if it is based on an intentional or grossly negligent violation of the contract caused by us, whereby a fault of our representatives or vicarious agents is to be ascribed to us. Our liability is limited to the foreseeable, typically occurring damage if the delay in delivery is not based on an intentional violation of the contract caused by us.

3. For the case that a delay in delivery caused by us is based on the culpable violation of a significant contractual obligation whereby a fault of our representatives or vicarious agents is to be ascribed to us, we are liable according to the legal provisions providing that in this case the liability for compensation is limited to the foreseeable, typically occurring damage.

4. A further liability for a delay in delivery caused by us is ruled out. Apart from the claim for compensation, the further legal claims and rights of the purchaser to which he is entitled due to a delay in delivery caused by us remain unaffected.

5. We are entitled at any time to make part deliveries and render partial services, in so far this is reasonable for the purchaser.

6. If the purchaser is in default in acceptance, thus we are entitled to demand compensation of the loss suffered and any extra expenditures. The same applies if the purchaser culpably violates duties to cooperate. Upon occurrence of default in acceptance or debtor's delay, the risk of an accidental deterioration and accidental loss transfers to the purchaser.

V. Passing of risk, shipping, packaging

1. Loading and shipping shall take place uninsured at the risk of the purchaser. We shall endeavour to consider wishes and interests of the purchaser regarding mode and route of shipment; additional costs incurred thereby – also with agreed on freight free delivery – are borne by the purchaser.
2. We shall not take transport and all other packaging back in accordance with the Packaging Ordinance; excepted are pallets. The purchaser is obliged to dispose of the packaging at his own expense.
3. If the shipment is delayed on wish of or on the fault of the purchaser, thus we store the goods at the expense and risk of the purchaser. In this case the notification of readiness for shipment is equivalent to the actual shipment.
4. On wish and costs of the purchaser we will have the delivery covered by a transport insurance.

VI. Material defects and defects of title, liability

1. Claims for defects of the purchaser only exist if the purchaser has correctly fulfilled his duties of inspection and requirement to notify a defect in accordance with section 388 HGB.
2. We are obliged in cases of justifiable notices of defect, under exclusion of the rights of the purchaser to withdraw from the contract or lower the purchase price (reduction), to carry out supplementary performance, unless we are entitled to refuse the supplementary performance due to the legal regulations. The purchaser has to grant us a reasonable period of time for the supplementary performance. According to the choice of the purchaser, the supplementary performance ensues with elimination of the defect (subsequent improvement) or delivery of a new product. In the case



of the elimination of the defect, we bear the necessary expenses in so far as they do not increase because the subject matter of the contract is at a different location to the place of performance. If the subsequent performance fails, the purchaser can according to his choice demand a reduction of the purchase price or declare withdrawing from the contract. The subsequent improvement counts as failed with the second futile attempt, in so far as no further attempts at subsequent improvement are adequate and reasonable to the purchaser due to the subject matter of the contract. Compensation claims at the following conditions because of the defect can only be asserted by the purchaser if the subsequent performance has failed. The right of the purchaser to assert the further claims for compensation at the following conditions remains unaffected by this.

3. The guarantee claims of the purchaser expire by limitation a year after delivery of the goods to the purchaser, unless we have maliciously concealed the defect; in this case the legal regulations apply.
4. Changes in the construction or execution which we or our suppliers generally implement after contract conclusion do not justify any complaints. In so far as special terms of guarantee of the manufacturers exist for certain parts of the object of purchase, we are entitled to apply these terms, even if they are not known to the purchaser. We will make them available to the purchaser on request.
5. For defects which were caused in consequence of inappropriate or improper use, incorrect installation or start-up operations and other circumstances for which the purchaser or third parties he commissioned are responsible for, all compensation claims are excluded.

If a notice of defects proves to be unjustified, thus the customer has to replace all expenses which have arisen due to this notice of defects.

6. The legal guarantee periods apply.

VII. Retention of title

1. We retain the title to the item purchased until all payments from the business contact to the purchaser have been received.
2. The purchaser is permitted the resale of the goods subject to retention of title in the ordinary course of business. The permission is revocable. The resale must only ensue in cash or under retention of title. The customer is not permitted assignment of securities, pledges and other decrees impairing our rights. Herewith, the purchaser assigns all claims due to him to us by way of security already now or later from a resale of the goods or from another legal basis. Anytime on demand, he has to send a list of the claims assigned to us and to notify the debtor of the assignment. However, he is authorised to collect the claims assigned to us as long as he carries out his payment obligations as agreed upon. The collected amounts are to be paid to us without delay, as long as outstanding claims against the purchaser are due to us. The processing or alteration of the bought goods by the purchaser is always carried out on our behalf. If the bought goods are processed or inseparably mixed with other items not belonging to us, thus we shall acquire the joint ownership of the new object in relation of the value of the bought goods to the other processed items. In so far as the value of the above securities exceeds the value of our claims sustainably by more than 20 %, we will release securities upon the purchaser's request according to our choice.
3. In case of seizures or other interventions of third parties, the purchaser has to notify us in writing without delay.

VIII. Data protection

1. With initiation, conclusion, winding up and reversed transaction of a sales contract we collect, save and process data in the scope of the legal provisions.
2. The personal data which the purchaser gives us, e.g. with an order or per email (e.g. name and contact data), are only processed for the correspondence

with the purchaser and only for the purpose for which he has made the data available to us. We only pass the data of the purchaser on to the shipper who carries out the delivery, in so far this is required for the delivery of the goods. For the handling of payments, we pass on the payment data of the purchaser to the credit institute instructed with the payment.

3. Apart from that, we ensure that the personal data of the purchaser are not passed on to third parties, unless we are legally bound to do so or the purchaser has beforehand expressly agreed to it. In so far as we take up services of third parties for the implementation and winding up of processing procedures, the regulations of the German Data Protection Act are complied with.
4. Personal data given us via our websites are only saved as long as the purpose for which they were entrusted to us has been fulfilled. In so far as storage periods under commercial and tax law are to be complied with, the duration of the storage of certain data can last up to 10 years.
5. If the purchaser should not agree to the storage of his personal data any more or these have become incorrect, we will have the data deleted, corrected or blocked upon receiving a corresponding notification in accordance with the legal provisions. On wish, the purchaser receives information free of charge about all personal data which we have stored about him. In case of questions on collection, processing or use of the personal data, for information, updating, blocking or deletion of data, the purchaser can contact us under the following details:

JK DEFENCE & SECURITY PRODUCTS GMBH
Industriering Ost 74
47906 Kempen
Telephone: 02152 1445-0
Telefax: 02152 1445-33
datenschutz@jkdefence.de

In so far as we are referred or linked to websites of third parties from our website, we take over no guarantee and liability for the correctness or completeness of the contents and the data security of these websites.

IX. Choice of law and place of jurisdiction

1. The law of the Federal Republic of Germany applies to the contractual relationships between us and the purchaser.
2. Place of jurisdiction for all disputes arising out of the contractual relationship between the purchaser and us is our place of business, in so far the purchaser is a merchant, a legal entity of public law or a special fund under public law.

X. Severability clause

If a clause in these General Terms and Conditions of Business be ineffective, thus the effectiveness of the remaining clauses will not be affected.