

General Terms of Sale

§ 1. Validity, location of fulfillment, court of jurisdiction, executive law

1. These conditions are valid for companies whose business is object to commercial trade, juristic persons according to public law or special assets under public law (§ 310 passage 1 BGB - German Civil Law -). For other business partners, especially for consumer contracts, civil law applies.
2. Place of fulfillment for all rights and duties resulting from this contract is exclusively the location of our company for both partners.
3. As court of jurisdiction the location of our company is considered to be agreed. However, we are entitled to chose the residence of the customer as court of jurisdiction.
4. The contract is subject to the laws of the Federal Republic of Germany. The application of UN buyers law (CISG) is excluded.

§ 2. Offer and conclusion of contract, prices

1. If a shipment date later than 4 months after conclusion of contract is agreed we are entitled to pass increases in material cost, labour cost and other expenses onto the buyer, provided that they have occurred at least 4 months after contract conclusion.
2. Prices quoted include outer packaging but exclude sales tax, shipping charges and transport insurance. The lawful VAT rate on the date of delivery is applicable.
3. If the contract has not already been concluded in a commercial manner, verbally or by telephone, it only becomes valid after our written order confirmation. Changes following a written concluded contract require written fixation in order to secure legal certainty.
4. Purchase conditions of the buyer which may differ to our sales conditions are herewith explicitly unaccepted; this inacceptability is also valid in case as the buyer has prescribed a special form of appeal. If such unacceptance is excluded, governing laws replace these contradictory conditions. Agreements to differing purchase conditions are only valid if their application is confirmed by us in written form.
5. All data necessary for order processing are recorded. This is agreed to by the buyer.

§ 3. Delivery time

1. Our default occurs when the agreed time of delivery is exceeded by more than 4 weeks and the buyer has issued us a written warning after expiry of this term of extension.
2. Agreed delivery terms commence with the day of our order confirmation, earliest however with the day of receipt of the first due payment of the purchase price. If no order confirmation is issued the delivery term starts with the day of order acceptance. In both cases however, delivery terms do not start before clarification of details of accomplishment. We do not default if we are detained to fulfill delivery due to unexpected conditions - regardless if caused in our works or those of sub-suppliers - which we cannot cover for or could not avert despite reasonable diligence according to the circumstances of the case, e.g. strikes, lockouts, accidents and operational disturbances, which are reason for partial or complete cessation of work, delay in delivery of essential raw- and processing-material, difficulties with the energy supply or other cases of force majeure.
3. We are entitled to partial delivery and -performance within reasonable extent.
4. We are legally liable according to law if the contract in question has fixed delivery dates in the sense of § 286 passage 2 No.4 BGB (German Civil Law) or § 376 HGB (German Trade Law). We are also legally liable according to law if the buyer is entitled to claim no further interest in contract fulfillment due to delivery delay caused by us.
5. Furthermore we are legally liable according to law if the delivery delay is based on a grossly negligent violation of contract caused by us; a default of our representatives or assistants is our responsibility. If the delivery delay is not caused by a violation of contract on our side, our damage compensation is limited to the predictable, typically occurring damages.
6. We are also legally liable according to law if the delivery delay is caused by a culpable violation of an essential contract duty; in this case however, the liability is limited to the predictable, typically occurring damage.

§ 4. Receipt of goods

If, due to reasons caused by the buyer, the receipt of goods is delayed, any risks or danger of default are passed onto the buyer, due alone to the fact, that we had already announced our readiness to deliver. We have the right to invoice the goods.

§ 5. Packaging, shipment and risk transfer

1. Packaging, if necessary, will be made at our discretion. We are not liable for damage during transport. Packaging is charged at our cost price. Packaging, protection and transport aids cannot be returned

unless otherwise agreed.

2. Unless definitive instructions for shipment are given, the type of despatch is left to our discretion without us taking over responsibility for the cheapest possible way of shipment.
3. With handing over to the shipment agent, at the latest however when the goods have left our premises, all risks are passed onto the buyer, irrespective of who carries the shipment costs.

§ 6. Payment

1. The following conditions of payment are valid which will at latest be indicated to the buyer expressly in our order confirmation:
 - a. For inland business, 50% of the invoice is due for payment after contract conclusion or at the latest after the buyer has received the order confirmation; the remaining 50% of the invoice is due for payment after receipt of delivery.
 - b. For foreign business the total invoice is due for payment after contract conclusion or at the latest after the buyer has received the order confirmation (prepayment).
 - c. At the wish of the buyer, prepayments can be secured against an additional fee of 100,00 EUR by a bank guarantee through the Norddeutsche Landesbank, Hannover (SWIFT).
2. Cash discount deduction is only accepted if explicitly agreed to.
3. We explicitly reserve the acceptance of bills of exchange or cheques; they are principally only accepted as prepayment and are valid with freeing effect only after being cashed. Discount expenses are debited to the buyer and are to be payed immediately to us in cash.
4. The buyer waives any claim of retention rights from previous or other contracts within the current business connection. The offsetting against counterclaims is only permitted when they have been accepted by us and are due for payment or have been determined by law.
5. All outstanding accounts, including those covered by bills of exchange, are immediately due for payment if conditions of payment have not been maintained or circumstances have become known to us, after the conclusion of contract, which qualify a reduction of the buyers creditworthiness.

Furthermore, in such cases, we are entitled to execute outstanding orders only against prepayment if the buyer has not furnished us with security upon our request beforehand. After a reasonable time extension we are entitled to retreat from the contract. Thereafter we are entitled to prohibit the resale of the goods delivered under retention of title and demand their return or assignment of the property instantaneously at the expense of the buyer.

§ 7. Retention of title

1. The delivery of goods is effected under retention of title according to § 449 BGB (German Civil Law) with the following extended provisions.
2. The goods remain our property until all outstanding and future buyers debits resulting from the business connection have been fully paid.
3. The acquisition of title by the buyer concerning the goods sold under retention of title is excluded also in case of processing or assembly of the delivered goods with other items resulting in a different object. Such processing or assembly takes place through the buyer for us only. The processed goods serve as security, but only as much as the value of the goods sold under retention of title. The processing or assembly with other products not belonging to our company by the buyer results in a co-ownership concerning the new product in relation to the value of the goods sold under title retention against the other processed goods at the time of their processing. The same conditions are valid for the new object evolved from the processing as for our goods sold under retention of title. It is considered an object under retention of title in the sense of these provisions.
4. The buyers accounts receivable, resulting from the resale of goods under our retention of title are assigned to us, regardless of whether the goods under retention of title have been processed or not or have been resold to one or several customers. These assigned accounts receivable serve to secure the seller of such title retention goods only up to the value of each of the sold title retention goods. If the title retention goods are being sold by the buyer in combination with other goods not belonging to our enterprise, either without or after processing, assignment of the accounts receivable is only valid up to the value of the title retention goods which together with other goods are subject of this purchase contract or part of the object of purchase.
5. The buyer is entitled to resell the goods under retention of title only under the condition of passing the invoice value resulting from the resale onto us according to passage 4. The buyer is not entitled to any other disposal of goods sold under retention of title.
6. The buyer is authorized to collect receivables resulting from the resale despite their assignment. Our collection warrant is not effected by the buyers collection warrant. However, we shall not collect any accounts receivable providing the buyer complies with our conditions of payment. Upon request the buyer must inform us about the debtors of assigned accounts receivable and inform the

debtor about the assignment.

7. The retention of title according to provisions stated above is still valid if particular accounts receivable due to our company are included in a current invoice and the balance is drawn and agreed.
8. Our retention of title is determined in such way that with full payment of all accounts receivable resulting from our business connection, the title retention goods are passed onto the buyer unconditionally and the assigned accounts receivable belong then to the buyer.
We are obliged to release securities we are entitled to according to the forstanding provisions in such way - at our option - if their value exceeds 20 % of the accounts receivable to be secured, provided however, that a release can only be accepted for deliveries or their replacement values if they are fully paid excepting deliveries in real current account terms.
9. In order to execute our retention of title the buyer irrevocably accepts beforehand that, after our retreat from the contract, we have the right of unresisted access to his premises, works or stores. A legal title is not required.

§ 8. Warranty when purchasing goods

1. Entitlement of claim by the buyer requires that he has duly fulfilled his obligations of examination and reproof according to § 377 HGB (German Trade Law).
2. Concerning transport damages, here in particular externally noticable damage of packaging or goods transported, the receiver must be given an appropriate written forwarders receipt. In this case the forwarder is not allowed to receive a clean signed forwarders receipt.
3. Other faulty deliveries, especially deliveries differing from the order, are to be notified in written form at the latest within 8 days for damages externally noticable and within 8 days after appearance of the damage for hidden damages. The date of delivery and the date of receipt of written reproof are relevant for calculating the time limit. Discrepancies in the delivery or damage is to be described exactly.
4. Should the buyer resell the goods and thereafter take regress action against us due to warranty claims, the time limits set in passage 2 are still valid even if the buyer has not examined the goods himself and the defects would have been identified by the buyer during a usual commercial inspection of the goods.
5. Warranty claims are not accepted if the buyer has failed to give crucial information concerning the demands expected or defects due to violation of installation instructions, inappropriate application or treatment, extraordinary and non predictable strain, natural wear or unauthorized interference, repairs or servicing by the buyer or third parties to the goods.
6. Contrary to the regulations of § 476 BGB (German Civil Law) the buyer is obliged to prove that the fault of a delivered product was already existant on the date of delivery. This is not valid in case of willfull deception or intent or a defect which, due to its nature, could not have been caused through influence of the buyer or a third party to the goods.
7. In case of a valid claim within the time limits we are entitled, at our own choice, either to correct the defects or send a defect-free replacement.
If correction or replacement fails, the buyer is entitled to chose between either retreating from the contract or a reduction.
In case of rectification and replacement delivery we carry the necessary expenses. This is not valid if the expenses increase due to the goods bought having been transported to a location other than the residence or enterprise of the buyer or another place of destination after the initial delivery. Goods for which we have delivered replacement automatically become our property.
8. We are liable according to the provisions of law if the buyer asserts a claim based on intent or gross negligence including intent or gross negligence of our assistants. We are also liable according to provisions of law in case of culpable violation of an essential contractual obligation. In both cases however, the damage compensation is limited to predictable, typically occuring damage. This is not valid if we have concealed the fault maliciously or have accepted a guarantee for an existant feature.
9. Liability concerning culpable injury of life, body or health remains unaffected;
This also applies to the compulsory liability according to the law of product liability.
10. In general a liability for compensation of damages is excluded.
11. Contrary to liability laws concerning warranty, a one year guarantee is considered agreed for sales contracts. It commences with the date of exchange of risk.
12. The period of prescription in case of a delivery regress according to §§ 478, 479 BGB (German Civil Law) remains unaffected; it amounts to five years, counted from the delivery of a faulty item.

§ 9. Joint liability

1. An extended liability for damage compensation as provided in § 8 is excluded - regardless of the lawful nature of the claimed entitlement. This is specifically valid concerning damage compensation claims caused through fault in the contract conclusion, because of other

violations of liability or claims of replacement of damage to property resulting from a punishable act according to § 823 BGB (German Civil Law).

2. If the damage compensation liability against us is excluded or restricted, this is also valid for the personal damage compensation liability of our employees, workers, co-operators, representatives and assistants.

§ 10. Retreat of contract, damage lump sum

1. If the buyer retreats from the contract due to reasons not caused by us or refuses to take delivery or services despite a time limit or extension of time limit, we are entitled to retreat from our contractual obligations. The retreat is valid with the receipt of the written declaration of contractual retreat by the buyer. In this case we are entitled to claim a damage lump sum of 20% of the order value. The right to reserve evidence of lower damage value remains with the buyer, the right to reserve assertion of a higher damage value remains with us.
2. Furthermore we are entitled to the right of contractual retreat in cases of force majeure or similar, mentioned under § 3, digit 2, provided that the disturbance is not caused by us and a later delivery or service cannot be expected of us e.g. due to delivery date difficulties and endangering other contracts.

§ 11. Copyright, confidentiality

Both contract parties are obliged to keep diagrams and documents, information and all other facts which became known to them in the context of this contract and its execution strictly confidential. They are not entitled to pass them on to third parties and are only allowed to use them for purposes concerned with the contract. Personnel are to be bound under contract accordingly all persons involved in the contract if there is a possibility of influence, especially a contractual bond.

In case of violation of the obligations mentioned afore the affected contract partner is entitled to claim the entire damage resulting from this.

§ 12. Validity of conditions

The conditions mentioned afore remain valid also if one or several of them are or become effectless.

The only lawful valid text of these terms and conditions is the original German language version.

Melle-Buer, 01.04.2004

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