

General Terms and Conditions of Blaser GmbH

1. Application, Written form

(1) These General Terms and Conditions of Business ("the Terms") apply to all contracts ("Contract"), including but not limited to sales contracts regarding sale and/or delivery of movable assets ("Goods"), between Blaser GmbH, Ziegelstadel 1, 88316 Isny (Allgäu), Germany ("Blaser") and our customer ("the Purchaser") no matter if the Goods were manufactured by Blaser or resold from a third party manufacturer (Sections 433, 650 of the German Civil Code – "BGB"). The Terms apply only if the Purchaser is an entrepreneur (Sec. 14 BGB), a legal person of public law or a public law special fund.

(2) These Terms apply exclusively; general terms and conditions of the Purchaser do not apply even if the Purchaser has expressly referred to them in his order and Blaser delivers the goods without an express rejection of those general terms and conditions.

(3) The Terms apply as amended from time to time as a framework including for future purchase agreements with the same Purchaser without our having to refer to them again in each case. We will inform the Purchaser event without undue delay of changes to our Terms.

(4) Individual agreements including trading clauses take priority over the Terms. As regards the content of such agreements, to the extent that they are not confirmed together with the Terms, a written contract or our written confirmation shall be decisive. International trading clauses are to be interpreted in case of doubt in accordance with the Incoterms of the International Chamber of Commerce in Paris (ICC) in the version valid at the time of the conclusion of the Contract.

(5) References to the application of statutory provisions have only clarifying significance. Even without such clarification, the statutory provisions apply unless directly changed or explicitly excluded in these Terms.

(6) Legally significant declarations and notices given by the Purchaser after the conclusion of the Contract (e.g. setting deadlines, objections, notices of defects, declarations of rescission or price reduction) require to be declared in writing, which includes written or text form (e.g. letter, fax or e-mail) for their validity. Mandatory statutory form requirements and further proof of identity in case of any doubt about Purchaser's identity shall remain unaffected.

2. Conclusion of Contract

(1) Our offers are, unless otherwise stated, free and non-binding. This applies even if we have provided the Purchaser with catalogues, technical documentation (e. g. drawings, plans, calculations) product specifications, operating and assembly instructions or other documents – even in electronic form or through the internet – over which we reserve all ownership and copyright. The written order of the goods by the Purchaser is deemed to be a binding offer to conclude a contract which unless, otherwise provided, remains valid for at least 10 days.

(2) On written order confirmation or delivery of the goods by us, a binding purchase Contract comes into force. This also applies if the order confirmation contains minor deviations or deviations usual in the trade from the order. Such deviations are deemed to be approved if and to the extent that the Purchaser does not object to them. Insofar as the order and the order confirmation correspond, the Purchaser has no right to object.

3. Delivery, Place of Performance, Passing of Risk

(1) Unless otherwise agreed, the delivery is EXW Blaser GmbH, Ziegelstadel 1, 88316 Isny (Allgäu), Germany (INCOTERMS 2010) which is also the place of performance for the delivery and any subsequent performance. The delivery will be made by the delivery method agreed to the agreed address. If no delivery method is agreed, it will be decided by us.

(2) The dispatch of the goods is at the costs and risk (destruction, deterioration and delay) of the Purchaser. If the dispatch is delayed on grounds for which we are not responsible the risk passes to the Purchaser at the time notice of readiness for dispatch is issued. The statutory passing of risk due to default of acceptance and other rights following for us from the default of acceptance (e. g. for reimbursement of storage costs or other additional expenditure) remain unaffected.

(3) If it is reasonable for the Purchaser, we are entitled to make partial deliveries.

4. Delivery Date, Non-Availability of the Goods, Delay in Delivery

(1) The delivery period will be agreed individually or stated by us in the order confirmation. The delivery period will not begin in any event prior to the clarification of all details of the contract and the provision of all licenses and certificates necessary for the performance of the contract (e.g. weapon trading or import license) by the Purchaser.

(2) If we cannot comply with the binding delivery period on grounds for which we are not responsible (non-availability of the goods), we inform the Purchaser thereof without undue delay stating the reason for the delay and stating a new anticipated delivery period as the case may be. If the goods are no longer at all available or not available within the new delivery period, we are entitled to rescind the contract in whole or in part. In that case, we will return without undue delay to the Purchaser consideration already provided. Non-availability of the goods arises in particular if we have not received supplies in time from our suppliers, if neither we nor our suppliers are at fault or if we were not obliged to procure the supplies from the outset, as well as in cases of force majeure. The rights of the Purchaser in the event of delay in delivery remain unaffected.

(3) The conditions of delay in delivery are determined according to the statutory provisions but in all cases written warning by the Purchaser is required. If we fall into delay in delivery, the Purchaser can demand lump sum compensation for the damage due to the delay. The lump sum compensation shall be for each completed calendar week of delay 0.5% of the net price (by its delivery value) of the goods delivered with delay, in total, however, at most 5% of the delivery value of the contract. We remain entitled to prove that the Purchaser has suffered no loss due to the delay or only a considerably lesser loss than the above-mentioned lump sum figures. In addition, the Purchaser has, in the case of our delay in delivery, the rights according to the statutory provisions, i.e. to rescind the contract usually after the expiry of a reasonable period set by him without success.

(4) Claims of the Purchaser for compensation in place of performance according to Clause 10 and our statutory rights in particular on the exclusion of the obligation to perform (e. g. because of impossibility) remain unaffected.

5. Purchase price, Ancillary expenses, Due date

(1) Unless otherwise provided in our order confirmation or individual agreements, our prices at the time of the conclusion of the Contract apply, in each case ex works plus statutory VAT and other public charges (e.g. customs duties, fees). In addition, the Purchaser shall bear other ancillary expenses of the purchase in particular packaging, shipping costs and insurance costs in each case.

(2) The purchase price together with ancillary costs shall be due and payable immediately without deduction against invoice prior to delivery of the goods (payment in advance) unless otherwise agreed.

(3) All payments shall be made by bank transfer in Euro to our bank account indicated in the invoice.

6. Delay in payment, Counterclaims, Risk of Non-Payment

(1) On expiry of the payment period according to Clause 5 (2) above, the Purchaser will be in delay. During the period of delay, the purchase price shall carry interest at the currently applicable statutory default interest rate (at the present time 9 percentage points above the base rate), further default damage claims being reserved. Our claim to commercial default interest pursuant to § 353 German Commercial Code ("HGB") remains unaffected.

(2) The Purchaser is entitled to set-off and withholding rights only to the extent that his claim has been adjudicated with legal effect or is undisputed. In the case of defects in delivery, counterclaims of the Purchaser remain unaffected in particular according to Clause 9 (4).

(3) If, after the conclusion of the contract it is evident that our contractual payment claims are at risk because of the Purchaser's inability to pay (e.g. by an application for the opening of insolvency proceedings or only temporary impediments to payment), we are entitled, according to the statutory provisions, to refuse the performance and – after setting a deadline as the case may be – to rescind the contract (Sec. 321 BGB). In the case of contracts for manufacturing non-fungible good (individualized products), we can declare rescission immediately. The statutory provisions on dispensing with a deadline remain unaffected.

7. Retention of title

(1) We retain title to the goods until full payment of all claims under the Contract and an on-going business relationship.

(2) The goods subject to retention of title may neither be pledged to third parties nor transferred as security prior to full payment of the secured claims. The Purchaser must inform us without undue delay in writing if and the extent to which third parties seize the goods which are the subject of retention of title.

(3) In case of conduct in breach of contract by the Purchaser, especially non-payment of the purchase price due, we will be entitled in accordance with the statutory regulations to rescind the contract and demand surrender of the good based on the retention of title. The demand for surrender does not contain a declaration of rescission at the same time. We are, in fact, entitled to demand the surrender of the goods only and to reserve the right of rescission. If the Purchaser does not pay the purchase price due, we can exercise these rights only if we have previously set the Purchaser a reasonable period for payment without result or the setting of such a period may be dispensed with in accordance with the statutory provisions.

(4) The Purchaser is entitled to sell-on and/or process the goods which are subject to retention of title in the normal course of business. In that event, the following provisions apply in addition:

a) The retention of title extends also to products arising by processing, mixing or combination with our goods in their full value, we being deemed to be manufacturer. If in the course of processing, mixing or combination with goods of third party owners, their ownership survives, we acquire co-ownership in the proportion of the invoice values of the processed, mixed or combined goods. In addition, the same applies for the resulting product as for goods delivered subject to retention of title.

b) The claims against third parties arising from the sale of the goods or products are hereby assigned in full by the Purchaser to us as security. We accept this assignment. The obligations of the Purchaser under Clause 7 (2) also apply with regard to the assigned claims.

c) The Purchaser remains, with us, entitled to collect the claims. We undertake not to collect the claims as long as the Purchaser meets its payment obligations to us, does not fall into delay, no application for the opening of insolvency proceedings is made and no other deficiency in its capacity to perform arises. If that is, however, the case, we can demand that the Purchaser informs us of the assigned claims and of the debtors thereof, provides all data necessary for the collection of same, hands over the associated documents and notifies the debtors (third parties) of the assignment.

d) If the realizable value of the security exceeds our claims by more than 10%, we will, on request of the Purchaser in writing, release security at our choice.

8. Examination, Acceptance

(1) Purchaser shall examine the goods without undue delay after their delivery by Blaser, as far as this is practicable in the ordinary course of business, and upon the discovery of any defect shall without undue delay give notice thereof to Blaser. Purchaser failing to give such notice shall be deemed to have accepted the goods, unless the defect in question is one not discernible by such examination.

(2) Upon the subsequent appearance of a defect not discoverable by such examination, notice thereof must be given immediately upon its being discovered, otherwise the goods will be held to have been accepted notwithstanding such defect.

(3) Purchaser's rights are sufficiently protected by the sending off of the notice at the proper time.

(4) If Blaser intentionally conceals any defect he cannot rely upon the rules of this section.

9. Purchaser's claims due to defects

(1) The statutory provisions apply regarding the Purchaser's rights in case of defects in quality and in title (including incorrect or short delivery and improper assembly or defective assembly instructions) unless agreed otherwise hereinafter. The statutory special regulations in case of final delivery of the goods to a consumer remain unaffected in all cases (recourse to supplier pursuant to §§ 478 et seq. BGB). Claims arising out of or in connection with recourse to supplier shall be explicitly excluded in case Purchaser or a third party entrepreneur further processed the Goods, including but not limited to processing by assembly or incorporation of the Goods in another product.

(1a) In all cases the manufacturer's guarantees delivered by us with the goods shall remain unaffected. Manufacturer's guarantees apply, however, unless otherwise

agreed, only vis-à-vis the final consumer, the Purchaser cannot rely thereon.

(2) The basis for the liability for defects is above all the agreement on the quality of the goods. All product specifications which are subject matter of the individual purchase contract or published by us (in particular on the internet or in catalogues) are deemed to be agreements on the quality of the goods. We are not liable for public statements of third parties (e.g. advertising statements of suppliers). In addition, the question of defectiveness is to be assessed according to the statutory provisions. If in this connection the compliance with public law product requirements (including product or market related obligations of conduct) is decisive, only the provisions relevant for us in the Federal Republic of Germany are the criteria. Different product requirements abroad in particular the country of origin of the product are relied on only if this is expressly agreed in an individual case.

(3) The Purchaser's claims for defects shall be conditional on the Purchaser having satisfied its obligations to examine the goods and notify any defects in accordance with Clause 8 above. Minor deviations in the delivery from the goods ordered, viewed or shown or described in catalogues or on our homepage or such deviations as are usual in the trade (e.g. colour shadings, woodgrain) do not constitute defects.

(4) If the goods delivered are defective, we can choose whether to provide subsequent performance by rectifying the defect (rectification of defects) or by supplying goods without defects (delivery of a replacement). The right to refuse subsequent performance on the statutory conditions remains unaffected. We can make subsequent performance dependent on the Purchaser paying the purchase price due. The Purchaser is entitled to temporarily withhold part of the purchase price reasonable in relation to the defect.

(5) The Purchaser is obliged to give us the necessary time and opportunity for subsequent performance in particular to provide us with the goods complained of for examination purposes. In the event of replacement delivery, the Purchaser is obliged to return the defective product in accordance with the statutory provisions. Subsequent performance contains neither the removal of the defective product nor its refitting if we were not originally obliged to perform the fitting. The place of performance of subsequent performance is our plant in Wetzlar/Germany.

(6) The expenses required for the purpose of the examination and subsequent performance, especially transport, travel, labour and material costs as well as, if appropriate, removal or refitting costs, shall be borne by us according to the applicable statutory provisions if a defect actually exists. If, however, the Purchaser's request for rectification of a defect proves to be unjustified, we may demand that the Purchaser reimburse us for the costs thereby incurred (including but not limited to inspection and transport costs) unless the non-defectiveness of the Goods was not detectable for the Purchaser.

(7) If the subsequent performance has failed or if a reasonable period set by the Purchaser for the subsequent performance expires fruitlessly or is unnecessary according to the statutory provisions, the Purchaser may rescind the contract or reduce the purchase price. No right of rescission shall arise however where the defect is not material.

(8) If the goods are subject to third party intellectual property rights, which prevent the intended use of the goods by the Customer or adversely affect the same, this shall

be deemed to be a defect of title. In the course of subsequent performance we are, in particular, entitled to cure the defect by obtaining rights to use in favour of the Purchaser by changing the goods or exchanging them for goods free of defects of title.

(9) Claims of the Purchaser for damages or compensation for futile expenses shall arise in case of defects only in accordance with the above provisions in conjunction with Clause 10 and are otherwise excluded. We are not usually obliged vis-à-vis the Purchaser to investigate components fitted into the product by us. If, however, such an obligation arises because of the circumstances of the individual case, it shall not constitute a fundamental contractual obligation. We accept no liability for the manufacturing process of our suppliers.

10. Damages, Rescission

(1) Unless regulated otherwise in these Terms, including the following provisions, Blaser is liable for a violation of contractual and extra-contractual obligations in accordance with the pertinent statutory regulations.

(2) Blaser is liable for damages – regardless of whatever the legal reason – in case of intention or gross negligence. In case of simple negligence, Blaser is only liable for the following:

- a) Fatalities, physical injuries and harm to health;
- b) Damages arising from violation of a cardinal contractual duty (an obligation, the fulfilment of which enables the contract to be executed in a proper manner in the first place and on whose fulfilment the opposite party could usually depend and expect); in this case, however, our liability is limited to recompensing the losses typically foreseeable under such contracts.

(3) The limitations on liability described in (2) do not apply if we have maliciously concealed a defect or have extended a guarantee for the quality of the goods. The same applies to the buyer's claims under the German Product Liability Act.

(4) The buyer shall have no right to withdraw from or terminate the contract due to an infringement of duty, which does not involve a defect, unless we are culpable of an infringement of duty. A free right of termination on the part of the buyer (in particular under §§ 651, 649 BGB) is excluded. For the rest, the statutory prerequisites and legal consequences apply.

11. Limitation period

(1) In deviation from § 438 (1) No. 3 BGB, the general limitation period for claims arising from defects in quality or in title (warranty period) shall be one (1) year from delivery of the Goods and if acceptance was agreed one year following acceptance.

(2) If the Goods are regarded as a building or a component relevant and used for a building which caused a defect in a building (building materials), the limitation period according to the applicable statutory provisions shall be 5 years from delivery. (§ 438 (1) No. 2 BGB). Any further special statutory provisions regarding special limitation periods shall remain unaffected (including but not limited to § 438 (1) No. 1, (3), §§ 444, 445b BGB). After the expiry of the warranty period, defects claims are excluded.

(3) The aforementioned limitation periods for purchase of Goods shall also apply for contractual and non-contractual damage claim of Purchaser arising out of or in connection with a defect of the Goods unless the regular statutory limitation period (§§ 195, 199 BGB) would lead

to a shorter limitation period. Compensation claims under Clause 10 and according to German Product liability Act (Produkthaftungsgesetz) become time-barred exclusively in accordance with the relevant statutory provisions.

12. Foreign Trade and Weapons Law

(1) The purchase, sale, resale and other dealing with goods including technology linked thereto, software or documentation can be subject to the foreign trade and/or export control law of Germany, the European Union, the USA and possibly other states. In particular the sale to embargoed countries, to listed persons and/or persons who use the goods and services for military purposes may be prohibited or subject to licence. In addition, dealing with weapons and ammunition in Germany and possibly also abroad is subject to special statutory provisions (in particular weapons legislation).

(2) The Purchaser is obliged, including vis-à-vis us, to act at all times in compliance with the law and to comply with all national and international regulations especially foreign trade and weapons law applicable to it and in particular to conduct purchase, trade, import, export, implementation and shipment only in possession of the official licences and certifications required in each case. In the event of culpable breach of these obligations by the Purchaser, we have a right to compensation for losses thereby cases to us and/or to indemnity against third party claims.

13. Choice of law, Place of jurisdiction

(1) These Terms and all legal relations between the Blaser and the Purchaser shall be governed by the laws of the Federal Republic of Germany excluding Convention on International Sale of Goods (CISG) and statutes on private international law. The preconditions and effects of the retention of title are governed by the law of the state where the property is located, insofar as the choice of law in favour of German law is inadmissible or invalid according thereto.

(2) If the Purchaser is an entrepreneur, a legal person of public law or a public-law special fund, the exclusive – also international – place of jurisdiction for all disputes arising from the contractual relations shall be our corporate seat in Wetzlar, Germany unless another exclusive place of jurisdiction is defined by relevant statutory provisions. The same applies if the Purchaser is any other kind of business. We shall also be entitled in all cases, however, to file a lawsuit at place of performance of the delivery obligation according to Clause 3 (1) or any individual agreement with priority or at the Purchaser's place of general jurisdiction.

14. Information about online dispute resolution (ODR) in accordance with Art. 14 (1) of the ODR Act.

(1) The EU Commission provides a platform for online resolution of disputes at <http://ec.europa.eu/consumers/odr>. The ODR platform serves as a starting point for the out-of-court settlement of disputes concerning contractual obligations arising from online purchase contracts.

(2) Blaser GmbH is neither obliged nor willing to participate in a dispute resolution process before a consumer arbitration board.