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General terms and conditions of sale of RIMO GERMANY GmbH & Co. KG

(hereafter “RIMO”)

Preamble

RiMO GERMANY GmbH & Co. KG develops, produces and distributes kart-products and special vehicle-products (hereafter „products“ or „goods“). On the one hand the products are developed and produced according to the customer's request. On the other hand there are off-the-shelf products that are produced in series. The product lineup includes new and used karts as well as spare parts and components and separates for karts. Powder coating is one further service of RiMO GERMANY GmbH & Co. KG.

§ 1 General

1. These General Terms and Conditions of Sale shall apply for the supply, delivery and performance of goods and products to the contract concluded between RiMO GERMANY GmbH & Co. KG, headquartered in 58675 Hemer, Germany, and the customer.
2. Our terms and conditions of sale apply exclusively; we do not accept conditions of customers that may conflict with or differ from our terms and conditions of sale, except in the event that we have explicitly agreed to the application of such conditions in writing. Our terms and conditions of sale also apply in the event that we deliver unconditionally to our customer, notwithstanding our knowledge of the existence of a customers' conditions which may be in conflict with or differ from our terms and conditions of sale.
3. With placing your order, you declare your agreement to our general terms and conditions of sale. Please print these terms and conditions of purchase for your documents and read them carefully. These terms and conditions of sale are available and downloadable at any time on our homepage www.rimo-germany.com in the latest version.
4. With general labels such as „us“ or „we“, RiMO GERMANY GmbH & Co. KG is meant in these general terms and conditions of sale.
5. With general labels such as „customer“, the respective client or contracting authority is meant in these general terms and conditions of sale and may be named hereafter as „you“.
6. Our terms and conditions of sale shall apply to consumers as well as towards companies and business clients in accordance to § 310 IV BGB, § 14 BGB (German Civil Code), public law entities and separate fund under public law, unless we make a differentiation in the respective term.

§ 2 Information about Products and Resale

1. Instructions provided by RIMO in brochures, instructions for use or other product information shall be strictly complied with in order to prevent damage. We expressly warn the customer against any use or treatment of the products beyond the defined areas of application and RIMO shall not be liable for any consequences deriving from any abuse. The customer shall ensure that any further customer or user will be instructed sufficiently. The safety notes are not completed with mentioning such instructions and information.
2. Sale, Re-Sale and disposition of delivery and performance and any technology or documentation can be subjected to German, EU-, or US- export control rights or any other state export rights. A re-sale to embargo-countries or to barricaded persons or to persons, which use or are able to use the delivery and performance militarily, for NBC-weapons or for nuclear technology, requires our approval. The customer approves with his order the compliance with such laws and regulations and he approves that deliveries and performances are not brought to countries that restrict an import of such goods directly or implicit. The customer declares to have all the necessary permissions for the export and import.

§ 3 Confidentiality

1. All commercial or technical information made available by RIMO (including features that are to be gathered for instance from the objects, documents or software handed over, and other knowledge or experiences) are, as long as and as far as they are not demonstrably public knowledge, to be kept in confidence from third parties and may be made available in the customers' business only to such persons where it is necessary for the purpose of supply to the customer and who are likewise committed to maintaining confidentiality; they remain the exclusive property of RIMO.

2. Without our prior written consent, such information must not be duplicated or exploited commercially.
3. At our request, all information originating from RIMO (if appropriate also including any copies or records made) and loaned items must be, without undue delay, returned to us in full or have to be destroyed in complete.
4. In this respect, we reserve the express right to all aforementioned information (including copyrights and the right to registration of industrial property rights, such as patents, utility models, semiconductors etc.).

§ 4 Offer

1. The customer's order represents a binding offer which we can accept within two weeks by forwarding an order confirmation, through delivery of the products or through performance. Offers submitted previously by RIMO are without obligation and free of charge, unless otherwise agreed.
2. Mailing of the RIMO price list shall not be considered as an offer. We shall be under no supply obligation regarding orders received on the basis of general offers, circulars or price lists.
3. Samples are not binding. Samples show the general character of the product but no special and unique features. A variance from the sample in a later delivery justifies no right for reclamation and is not defined as a defect.
4. If the customer is a company or a business client, we reserve the right to over- and under-deliver to a manufacturing tolerance of 10% of the ordered quantity. Those over- and under-deliveries are customary in trade and fulfil the contract in whole. In the case of under-delivery the customer has no claim of an additional delivery of the shortage. In case of an over- or under-delivery, § 9 Nr. 4 of these general terms and conditions of sale applies additionally.
5. All details about weights, dimensions, performance and other technical data as well as DIN, VDE or other operational or co-external norms referred to in printed papers such as documents, catalogues, price lists, other sales documents of RIMO, in electronic mediums or in the world wide web are indicative as far as they are not expressly described as binding.
6. Oral agreements or those by telephone of our representatives or employees as well as other arrangements between the customer and our representatives shall be valid only if expressly accepted in writing by RIMO.
7. If the customer is a company or a business client and the company or the business client cancels a confirmed order, we are able to claim 10% of the sale-price from the customer for the costs processed and the loss of profit.

§ 5 Terms of Delivery

1. If the customer is a company or a business client, the latest version of the Incoterms shall apply to all trade clauses. Unless otherwise agreed we will deliver EX WORKS RIMO-manufactory. The goods designated for processing, refining or repair shall be delivered DDP RIMO-manufactory by the customer to the RIMO production plant and will be returned EX WORKS. We reserve the right to deliver through or own delivery organization.
2. If the customer is a consumer, we will deliver EX WORKS as well, unless otherwise is agreed between the parties. The costs for the delivery and transport will be announced to the consumer within the order confirmation.
3. If delivery is delayed due to the customer's fault, the risk shall pass to the customer on the day the goods are ready for shipment.
4. If no firm delivery date has been agreed, delivery takes place within two weeks after the conclusion of the contract in case of new products. In case of spare part deliveries the delivery takes place within one week after the conclusion of the contract. The service performance takes place within two weeks if no firm date has been agreed.
5. We are entitled to determine a firm calendar week for the delivery or performance. If there is a duty to collaborate by the customer, the delivery period does not start before the customer has performed his duty.
6. Terms of delivery and services that are a basis for the contract shall be extended reasonably in case of force majeure and in case of all other hindrances not covered for by RIMO.
7. Adherence to the delivery period by RIMO assumes that all commercial and technical issues between the contractual partners have been resolved and the customer has met all the obligations accruing to him,

such as the provision of the necessary official certifications or approvals or the making of down payments. If this is not the case the delivery time is extended by a reasonable period. This shall not apply to the extent that RIMO shall be liable for the delay.

8. Changes subsequently requested by the customer entitle us to put the delivery on hold until the desired changes have been examined with regard to their implementability and effects, particularly on costs and deadlines. The changes only become binding on our express written confirmation. We are entitled to change the delivery dates to implement the changes.
9. If the customer is a company or a business client, we conclude the delivery dates exclusively under the reservation of correct and timely delivery by our suppliers. We are entitled to withdraw from the contract in the event of our own suppliers fail to deliver or if such delivery is incorrect or is not made on time.
10. If the customer is a consumer, we are going to inform the customer in cases of our own suppliers fail to deliver. In such cases, the customer has the right to withdraw from the contract.

§ 6 Delayed Delivery and Default in Acceptance

1. In the event of delay in delivery, the customer shall be obliged, at our request, to declare within a suitable period whether he still insists on delivery or asserts to his legal rights. Provided that the customer, for the assertion of rights, is obliged to provide us with an appropriate extension period for the rendering of our performance, then the time period shall only be considered to be appropriate if it is not shorter than 2 (two) weeks.
2. The customer can only withdraw from the contract within the context of the legal regulations, as far as we are responsible for the delay of the delivery or services.
3. The liability in the event of delay in delivery or performance shall be limited to 0.5% of the value of the order for each completed week of delay in the context of a lump-sum compensation for delay, but not more than 5% maximum of the value of the order. For damages from the breach of an essential contractual duty our liability is however limited to the reimbursement of the foreseeable, typically occurring damages.
4. If the customer defaults in acceptance or culpably violates other duties to cooperate, RIMO is entitled to give preference to other third-party orders and reasonably extend the delivery period.
5. RIMO shall be entitled, without prejudice to any further-reaching statutory and/or contractual claims, to demand compensation for the damages that originated to RIMO thus far, including any additional expenditure. If delivery is delayed due to circumstances for which the customer is responsible the risk of accidental deterioration, loss and destruction shall pass to the customer on notification of our readiness to ship.
6. If dispatch or shipment is delayed at the customer's request by more than one month after notice of the readiness to ship was given, the customer may be charged, for every month commenced, storage costs of 0.5% of the price of the items of the supplies, but in no case more than a total of 5 %. The contractual parties may prove that higher or, as the case may be, lower storage costs have been incurred. More far-reaching claims in cases of default of acceptance shall remain reserved.

§ 7 Packaging

1. The packaging will be made at our discretion accounting for the means of transportation. (by sea, air, or land), unless the customer dictates a special packaging.
2. If the customer is a company or a business client, we are free to choose the means of transportation, insofar as no other special agreements have been made. The customer bears all costs for a special request regarding the method of shipping; this also applies to express (non-standard) and next-day shipping, even if we pay the initial freight charges.
3. If the customer is a consumer, we are going to inform the customer about the costs of packaging within the order confirmation.
4. Upon the customer's request, we will cover the shipment by a transportation insurance policy; the customer bears all costs for this insurance.

§ 8 Retention of Title

1. If the customer is a consumer, we reserve title to the delivered goods until the purchase price has been paid in full.

2. If the customer is a company or a business client, we reserve title to the delivered goods until full settlement of all debts due arising from current business relations, even if the concrete delivered goods are already paid.
3. Customers shall inform us immediately about distraints or other legal restrictions with respect to articles or claims belonging wholly or partly to RIMO and hand over the necessary documents. This is also valid for all kinds of impairments. Independent from this, the customer must inform third parties in advance of the existing rights to the products. If the customer is a company or a business client, the customer has to carry the costs of the intervention as far as third parties are not able to carry those costs.
4. If the customer is a company or a business client, and the customer re-sells the goods supplied in accordance with provisions, it shall then assign that the claims arising from the sale against its purchasers including all ancillary rights to RIMO until all of its claims have been redeemed in full. During the processing of reserved goods, their alteration or combination with other objects, we acquire direct ownership of the manufactured object, which shall be deemed "reserved goods". The customer shall not be entitled to otherwise dispose of the goods sold subject to our retention of title and ownership (e.g. transfer of ownership by way of security, pledging as collateral).
5. The customer's authorization to dispose of the goods that are subject to retention of title as well as process, reorganize, connect, mix, and combine such goods and collect the assigned claims shall lapse upon non-compliance with payment terms, unauthorized disposition of goods or protesting of a check or bill or if insolvency proceedings have been instituted against the customer or RIMO becomes aware of a substantial worsening of the customer's financial situation. In these cases, RIMO shall be entitled, without cancelling the contract, to immediately take possession of the goods that are subject to reservation of title, enter customer's place of business for this purpose, demand relevant information about the goods that are subject to reservation of title and any claims arising from re-sale of said goods, and inspect customer's accounts whenever necessary to secure RIMO's rights.
6. We agree to release the securities granted to us upon request of the customer if the value of the security exceeds the amount of our receivables by more than 20%.

§ 9 Prices and Terms of Payment

1. The price stated in the order confirmation resp. in the invoice is binding.
2. If the customer is a consumer, the price stated by RIMO includes value added tax at the relevant statutory rate.
3. If the customer is a company or a business client, the statutory sales tax is not included in our prices. The price will be quoted as a net price in € (EUR). The statutory sales tax (VAT) is stated in the invoice separately at the applicable rate at the date of the invoice.
4. In cases of over- or under-deliveries the actually delivered quantity gets to be invoiced.
5. The amounts invoiced shall be payable within 30 days after receipt of the goods resp. upon completion of all services, without any deductions, unless otherwise agreed.
6. Employees and agents of RIMO will only be authorized to accept payments if they hold collection authority. Advance payments and payments on account shall yield no interest.
7. There won't be a return in case of advanced payments or payments on account.
8. In principle, the customer shall transfer payments into the account advised by RIMO at his risk and cost.
9. Set off rights can be only granted to the customer, if his counterclaims have been stated legally binding, undisputed or recognized by RIMO. In addition the customer is authorized to practice the right of retention in so far as his counterclaim is based on the same contractual relationship.
10. Acceptance of bills of exchange in lieu of payment shall require the written consent of RIMO.

§ 10 Default in Payment, Impairment of the Customer's Financial Position

1. The customer gets in default in payment 30 (thirty) days after the receipt of the goods and the invoice or after termination of service and receipt of the invoice at the latest. Another deadline has to be agreed in writing between the parties to be valid.
2. If the customer is a company or a business client and gets in default of payment, we shall be entitled to charge the statutory default interest at a rate of 8% per annum above the base rate of interest applicable at the time. If the customer is a consumer, we shall be entitled to charge the statutory default interest at a rate of 5% per annum above the base rate of interest applicable at the time. We are entitled to a higher

rate of interest due to statutory provisions or if higher interest has to be paid by us due to higher borrowing costs, we shall be entitled to charge such interest.

3. In the case of default of payment, the customer shall bear any and all dunning charges, collection charges, investigation and information charges incurred in connection with collection of the accounts receivable outstanding.
4. If the customer or a third party applies for insolvency proceedings to be opened over the assets of the customer, or insolvency proceedings against the customer are opened by court order or the opening of such proceedings is refused due to lack of assets, we are entitled to rescind the contract and to demand the immediate return of the conditional goods.

§ 11 Price Adjustment

1. If the customer is a company or a business client, the agreed price in the order placement or in the order confirmation shall apply. If the price at the time of the performance has increased due to a modification of the market price or due to risen fees of third parties taking part in the performance, the higher price shall apply. In case the increase in price is 20% or more above the agreed price, the customer is entitled to withdraw from the contract. This right shall be exercised immediately after the customer has been informed of the price increase.
2. If the customer is a consumer, price modifications are admissible if the time span between the conclusion of the contract and the agreed date of delivery of the goods is longer than four months. If salaries or material costs or the statutory levies and contributions change between the conclusion of the contract and the delivery, we are entitled to reasonably modify the price with regard to the cost increase or decrease. The client is only entitled to withdraw from the contract if a price increase between the placement of the order or the order confirmation and the day of the delivery significantly exceeds the rise of general living costs in the same reference period.
3. If the customer is a consumer, the prices quoted include value added tax at the relevant statutory rate. If the customer is a company or a business client, the prices quoted are EURO (€) net prices. The prices do not include the statutory VAT (value added tax); the VAT is stated in the invoice separately at the applicable rate at the date of the invoice.

§ 12 Limitation of own Claims

Contrary to § 195 BGB (German Civil Code), our claims for payment expire in five years. With regard to the beginning of the statutory limitation, § 199 BGB (German Civil Code) applies.

§ 13 Warranty Period, Liability for Defects

1. If the customer is a consumer and in case of a defect, we can be held liable by consumers according to legal provisions, if these are not limited by the following: The consumer shall inform us in writing of obvious defects within two weeks after emergence of said defect.
2. If the customer is a company or a business client and in case of a defect, the customer may define an appropriate period of grace for subsequent fulfillment. We reserve the right to choose how to remedy possible defects, either way to correct the defective parts through repair or through exchange, at our discretion. Obvious defects and quantity discrepancies can only be claimed if they are noted immediately upon receipt of the goods and reported to RIMO within 3 business days. Hidden defects can only be claimed if they are reported to RIMO in writing immediately after the discovery.
3. If the customer is a consumer, the defect claims are barred by limitation of two years for the delivery of new goods and work performances and one year for the delivery of second-hand and used goods. The time period begins with the transfer of risk. The above does not apply in case of damage claims originating from defects. Damage claims are subject to § 14.
4. If the customer is a company or a business client, the defect claims are barred by limitation of one year in for the delivery of new goods and work performances. The time period begins with the delivery of the goods or with the finish of the work performance. In cases of delivery of used or second-hand goods, we deliver under exclusion of any liability or warranty. The statutory limitation in case of a recourse acc. to §§ 478, 479 BGB (German Civil Code) remains untouched. The above does not apply in case of damage claims originating from defects. Damage claims are subject to § 14.
5. An appropriate term for renewed performance need not be set if this is unnecessary in accordance with section § 323 (2) BGB (German Civil Code), in particular if we finally and irrevocably refuse renewed performance, if the performance is critically dependent on its timeliness or other special circumstances

exist, which, after due consideration of the interests of both parties, justify an immediate rescission or an immediate demand for compensation.

6. Payments may only be held back by the customer for complaints due to defects in a scope which is appropriate to the defects occurred. The customer can hold back payments only if a letter of complaint is asserted where no doubt exist about. If the complaint in respect of a defect is unjustified, we shall be entitled to demand from the customer reimbursement of the expenses incurred by RIMO.
7. We do not provide the customer with guarantees acc. to the law (de lege lata).
8. If the customer is a company or a business client and he has the right to demand compensation instead of performance or to withdraw from the contract, or to demand further renewed performance, we can request to exercise these rights within an appropriate period. The customer must inform us about his decision in writing. If the customer does not exercise his rights in the relevant timeframe, the right to compensation instead of performance can only be asserted or the rescission declared if a new appropriate period for renewed performance determined by the customer has expired fruitlessly.
9. The rights named above shall neither apply to defects that are due, wholly or partially, to mistreatment, improper use, storage, maintenance or installation, or failure to observe any publisher's instructions or other directions issued or made available by RIMO in connection with the delivered products.
10. Deliveries of second hand goods are supplied under exclusion of any rights of complaint or reclamation because of optical defects or other quality defects.

§ 14 Liability for Damage

1. Our liability for the violation of contractual obligations or offence is limited to willful misconduct and gross negligence. The above does not apply to injury to life, body and health of the client, claims originating from a violation of cardinal obligations and compensation for damage due to delay (§ 286 BGB-German Civil Code). Insofar we can be held liable for any degree of fault.
2. The above mentioned exclusion of liability also applies to slightly negligent violation of obligations by our assistants.
3. If a liability for damage due to simple negligence, other than the injury to life, body or health of the client, is not ruled out, such kind of claim is barred by limitation of one year after the beginning of the emergence of the claim; damage claims originating from a defect are barred by limitation of one year after the reception of the object.
4. If liability towards us is ruled out or limited, this shall also apply to the personal liability of our employees, staff members, representatives and assistants.

§ 15 Force Majeure

1. If the contractual partners are prevented from delivering due to force majeure, the delivery date shall immediately be extended for the duration of the force majeure, plus an appropriate start-up time. This case shall not constitute as a violation of law or contract.
2. All conditions which are independent of the will and influence of the parties such as natural disasters, government measures, decisions on the part of the authorities, blockades, war and other military conflicts, mobilization, civil unrest, terror attacks, strikes, lockouts and other industrial unrest, confiscation, embargoes and other unforeseeable, serious conditions which are not the fault of the parties and which arise after the making of the contract/ agreement shall be deemed to be force majeure events.
3. The contractual parties shall be relieved of liability for partial or full non-fulfillment of their obligations provided that the parties prove that said non-fulfillment was prevented by circumstances beyond the control of the parties and arose upon the signing of any contract.
4. The contractual parties will do everything they can, in case it is necessary and reasonable, to minimize the extent of the consequences, caused by force majeure.
5. The party affected by force majeure circumstances or facing circumstances beyond its control shall immediately notify the other party in writing of the occurrence, type and anticipated duration of these circumstances.
6. Should force majeure circumstances or circumstances beyond the control of the parties continue for more than two months the parties shall agree upon further execution of any contract. If the parties fail to reach a mutual agreement the party that was not affected by said circumstances shall have the right to terminate the contract without applying to the arbitration court.

§ 16 Trade Mark Rights and Property Rights

1. We are not liable for claims arising from an infringement of third party intellectual or industrial property rights or copyright (hereinafter: industrial property right) if the industrial property right is or was owned by the customer or by an enterprise in which the customer holds, directly or indirectly, a majority of the shares or voting rights.
2. We are not liable for claims arising from an infringement of third party industrial property rights unless at least one industrial property right from the property right family has been published by the European Patent Office.
3. The customer must notify us immediately of (alleged) infringements of industrial property rights and of risks of infringement in this respect which become known and, at our request – insofar as possible – allow RIMO to conduct the litigation (including non-judicial proceedings).
4. We are entitled, at our discretion, to obtain a right of use for a product infringing an industrial property right, to modify it so that it no longer infringes the industrial property right or to replace it by an equivalent substitute product which no longer infringes the industrial property right. If this is not possible subject to reasonable conditions or within a reasonable period of time, the customer shall – insofar as the customer allowed RIMO to carry out a modification – be entitled to the statutory rights of rescission. Subject to the aforementioned preconditions we shall also have a right of rescission. The ruling set forth shall apply accordingly.
5. We reserve the right to carry out the action at our disposal under the terms of sentence one of this clause even if the breach of property right has not yet been legally determined or acknowledged on our part.
6. Claims by the customer are excluded insofar as the customer is responsible for the infringement of the industrial property right or if the customer has not supported us to a reasonable extent in the defense against claims by third parties.
7. Claims by the customer are also excluded if the products were manufactured in accordance with the specifications or instructions of the customer or if the (alleged) infringement of the industrial property right ensues from the use in conjunction with another product not originating from RIMO or if the products are used in a manner which we were unable to foresee.
8. If items are produced or distributed on the basis of drawings, specimens or other documents or instructions of the customer and rights of third parties are infringed thereby (in particular industrial property rights of third parties), the customer shall indemnify and hold us harmless.
9. Further-reaching claims or claims other than those claims of the customer governed by this clause § 16 on account of an infringement of third party industrial property rights are excluded.

§ 17 Property Rights of RIMO

We reserve the ownership rights and copyrights to the samples, cost estimates, plans, drawings and similar information of either a tangible or intangible nature - including information in electronic form -, as well as to any and all other documents; said items shall only be made available to third parties with the written consent of RIMO.

§ 18 Form of Statements

1. Relevant statements from the client towards us or a third party shall be in writing.
2. Oral statements made by our representatives or other auxiliary persons require our written verification.

§ 19 Place of Fulfillment, Applicable Law, Place of Jurisdiction, Contractual Language

1. If the contract does not stipulate anything to the contrary, the place of fulfillment and payment is the location of our seat of business in Sundern.
2. The present contract and all disputes arising from or in connection with it shall be governed by and are subject to the jurisdiction of the Federal Republic of Germany; the application of UN right of purchase is ruled out.
3. The legal stipulations regarding places of jurisdiction shall remain unaffected, unless any special regulations have been made in the following special terms (clauses 4 and 5).

4. If the customer is a consumer and does not have a general authorized court in Germany or in another European country or his domicile or usual place of residence are not known at the time, the exclusive jurisdiction for all disputes with the customer from the contract-relationship with the customer is our respective seat of business in Sundern.
5. Exclusive place of jurisdiction with respect to contracts with companies, business clients, merchants, traders, legal entities under public law, special funds under public law or customers not domiciled or established in Germany, shall be the competent court at our seat of business. However we are also entitled to sue the customer at the location of his own residence or place of business.
6. The contract language is German.
7. In the event of discrepancies between the English and German version of the respective clauses in these terms and conditions, the German version prevails.

§ 20 Severability Clause

If any regulations of these general terms and conditions of sale or any contractual agreement between us and the supplier should be or become invalid this shall not affect the validity of all other provisions or agreements.

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