

§ 1 General Terms- Scope

- (1) Our sales conditions apply exclusively; conditions of the customer which conflict with, or deviate from, our conditions are not recognized unless we have explicitly agreed so in writing. Our sales conditions also apply if we deliver to the customer without reservation while being aware of conflicting or deviating sales conditions of the customer.
- (2) All agreements made between us and the customer for the execution of this contract are recorded in writing in this contract.
- (3) Our sales conditions apply only to companies in compliance with § 310 subsection 1 BGB (German Civil Code).

§ 2 Offer - Offer Documents

- (1) If the order is to qualify as an offer in accordance with s. 145 BGB (German Civil Code), we can assume that this is the case within 2 weeks.
- We reserve our title and copyrights on illustrations, drawings, calculations and other documents. This also applies to written documents which are marked as "confidential". Our customers may only pass these on to third parties with our explicit, written consent.
- (3) Drawings and details of weights and dimensions, are only approximate unless explicitly designated as binding.

§ 3 Scope of delivery obligations

- (1) The written confirmation of contract is authoritative for the contents and scope of delivery. In the event of an offer being made by us which is valid for a limited period and is accepted by the due date, the offer shall apply. Additional agreements and amendments require our written confirmation.
- (2) The devices and equipment supplied shall only be equipped with protective devices considered by us to be necessary. It is the customer's responsibility to comply with local regulations in force in the country in which they operate and to procure the protective devices and guards, which are necessary for the installation, setting up and operation of the machines.
- (3) The responsibility for advising the customer will only be accepted if this is explicitly declared in writing.

§ 4 Prices - terms of payment

- (1) Unless otherwise stated in the order confirmation, our prices are "ex works", and exclusive of packaging, freight and installation; these are billed separately.

- (2) Our prices do not include the statutory VAT; the VAT is stated in the invoice separately at the applicable rate at the date of the invoice.
- (3) The deduction of discounts requires special written agreement.
- (4) We reserve the right to modify our prices accordingly, if after conclusion of the contract, our acquisition prices should rise for reasons beyond our control, in particular due to collective agreements or material price changes. We will prove these changes to the customer on request.
- (5) If freight costs, export and import fees or expenses, customs duties etc. should be accepted in exceptional cases by us, the supplier, at fixed rates, any increases in such fees or expenses which occur prior to delivery shall be charged to the customer.
- (6) Unless the order confirmation states otherwise, the purchase price is due within 30 days of the date of invoice. The statutory regulations concerning the consequences of late payment apply.
- (7) The customer shall only be entitled to offsetting rights or rights of retention if his counterclaims are declared legally valid, are undisputed or have been recognized by us. Additionally the customer is authorized to practice the right of retention in so far as his counterclaim is based on the same contractual relationship.

§ 5 Delivery period

- (1) The beginning of the delivery period presupposes the clarification of all technical questions and the timely receipt of any agreed down-payment.
- (2) Compliance with our delivery obligation requires the timely and proper fulfilment of the obligations of the customer. The right of objection to non-performance of contract shall be reserved. This is especially true if the customer has to provide documents, permits, clearances or down-payment has been agreed.
- (3) If the customer is in default of acceptance or culpably violates other obligations to cooperate, we are entitled to demand compensation for losses incurred, including any extra expenses. Further claims or rights remain reserved.
- (4) Insofar as the preconditions of subsection (3) exist, the risk of the accidental loss or the accidental deterioration of the object of the purchase shall pass to the customer at the moment that he is in default of acceptance or payment.
- (5) The supplier is liable according to the legal regulations as far as the applied contract is a firm bargain according to section 286 subsection 2 no. 4 of the German Civil Code (§ 286 Abs. 2 Nr. 4 BGB) or according to section 376 of the German Commercial Code (§ 376 HGB). We shall also be

- liable in accordance with the statutory provisions insofar as the customer is entitled to claim cessation of his interest in continuing the performance of the contract as a result of a delay in delivery for which we are responsible.
- (6) Furthermore, we shall be liable in accordance with legal provisions should the failure to deliver be founded on a wilful or grossly negligent breach of contract for which we are responsible. Negligence on the part of our vicarious agents or representatives is to be attributed to us. Should the delivery delay be founded on an intentional or grossly negligent contractual violation on our part, we shall be liable in accordance with the legal regulations and limited to the foreseeable and typically accruing damage.
- (7) We shall also be liable in accordance with the statutory provisions insofar as the delay in delivery that was due to us was caused by the culpable breach of a material contractual obligation; in this case however our liability for damages shall be limited to the foreseeable typically occurring damage.
- (8) In addition, we are liable in the event of delayed delivery for each full week of delay in the context of a lump sum compensation amounting to 0.5% of the contract value, to a maximum of not more than 5% of the contract value.

§ 6 Transfer of Risk - Packaging Costs

- (1) Provided that nothing else is stated in the order confirmation, our prices are "ex works", exclusive of packaging.
- (2) Separate agreements apply for the return of packaging.
- (3) At the request of the customer, we will have the merchandise insured during transport, in which case the customer shall bear the corresponding costs.

§ 7 Liability for defects

- (1) Claims in the event of defects by the customer will be conditional to the customer having fulfilled its inspection and complaint duties to which it is bound by § 377 HGB (German Commercial Code).
- (2) If the object of purchase is defective, the supplier shall be entitled, at its option, to take remedial action in the form of a rectification of defects or the delivery of a new object free from defects.
- This is especially true for goods that are produced according to customer requirements (customized solutions). If the removal of defects or replacement delivery takes place, we are obligated to assume all necessary expenses for the purpose of supplementary performance, especially transportation, shipping, labour, and material costs, insofar

as these do not increase because the purchased object is brought to a different location than the place of fulfilment.

(3) If the subsequent performance is unsuccessful, the customer shall be entitled to demand rescission or a price reduction at his option.

(4) We are liable according to legal regulations, if the customer claims damages based on intent or gross negligence, including intent or gross negligence of our representatives or vicarious agents. As far as no deliberate infringement is attributed, liability for damages is limited to foreseeable, typically occurring damage.

(5) We shall be liable in accordance with the statutory provisions insofar as a deliberate infringement of a material contractual obligation is attributed to us; in this case however our liability for damages shall also be limited to the foreseeable typically occurring damage.

(6) If the customer is entitled to claim damages instead of performance, our liability will also be limited within the scope of Section (3) to the replacement of the foreseeable typically occurring loss

(7) The liability for culpable injury to life, limb or health remains unaffected; this also applies to mandatory liability under the Product Liability Act.

(8) Unless stipulated otherwise above, liability is excluded.

(9) The limitation period for warranty claims is 12 months from transfer of risk.

(10) The limitation period in case of a delivery recourse according to §§ 478, 479 BGB (German Civil Code) is five years from delivery of the defective item.

§ 8 Joint liability

(1) Further liability for damages as in § 6 provided is - regardless of the legal nature of the asserted claim - excluded. This applies particularly to claims for damages from culpa in contrahendo, other breaches of duty or tort claims for property damage pursuant to § 823 BGB (German Civil Code).

(2) The limitation under para. 1) also applies where the customer, in place of a claim to reimbursement of the damage demands performance which was incurred in vain.

(3) As far as the liability for damages towards us is excluded or limited, this also applies to the personal liability of our employees, workers, employees, representatives and agents.

§ 9 Retention of Title

(1) We retain title to the goods until the payment of all accounts receivables from the delivery contract. In the case

that the customer's behaviour is contrary to the terms of this contract, in particular in case of default of payment, we shall be entitled to take back the goods. Repossession of the goods is to be construed as a termination of the contract.

After recovery of the goods for sale, we are entitled to make commercial use of them, deducting the proceeds from such utilization from the liability of the buyer after prior deduction of the reasonable costs involved in such utilization.

(2) The customer is obliged to treat the goods with care; he is especially obligated to insure them at his own expense against fire, water and theft at replacement value. If maintenance and inspection work is required, the customer must carry this out at his own expense.

(3) In the event of levies of execution or other intervention, the ordering party shall immediately notify us thereof in writing so that we can contest such actions as per § 771 ZPO (German civil process order). If the third party is unable to reimburse us for the judicial and extrajudicial costs of action under § 771 ZPO, the customer is liable for the loss incurred.

(4) The customer will be entitled to resell the purchased item in the ordinary course of business; however, it assigns to us the equivalent of the final invoiced total (including VAT) of our claim that it gains from the resale against its purchasers or third parties irrespective of whether the purchased item has been resold without, or after, further processing. The customer remains entitled to recover this claim even after its assignment. Our authority to collect the claim itself remains unaffected. However, we agree not to recover debts ourselves as long as the customer complies with its payment obligations from the amounts received, does not default, does not suffer any material deterioration of his financial situation and, in particular, applications for the institution of bankruptcy, composition or insolvency proceedings have not been submitted and the customer does not cease payment. If this is the case, we may demand that the customer informs us of the assigned accounts receivable and the debtors, that he gives us all the information and relevant documents necessary to assert our rights and that he informs the debtors (third parties) of the assignment.

(5) The processing or transformation of the goods by the customer is always done for us. If the object of sale is indivisibly mixed with other objects not belonging to us, we shall acquire part ownership of the new object in the same ratio as the value of the object of sale (final total of invoice including value added tax) stands to the value of the other objects used at the time they were mixed. The same is true, moreover, for the goods delivered under reservation of

ownership for the object created by processing.

(6) If the sale is inseparably mixed with other items which are not our property, we shall acquire joint ownership of the new item in proportion of the value of the goods (final invoice amount, including VAT) to the other mixed objects at the time of mixing. If the mixing is such that the customer's item is to be regarded as the main item, it is agreed that the customer transfers proportional joint ownership to us. The customer holds the sole or co-ownership for us.

(7) The customer already now also assigns to us its claims for the safeguarding of our claims against the customer that accrue against a third party from the incorporation of objects being under reservation of title into a piece of real estate.

(8) We undertake to release the securities due to us upon request of the customer insofar as the realizable value of our securities exceeds the secured claims by more than 10%; the securities released shall be at our discretion.

§ 10 Jurisdiction

(1) Insofar the buyer is an entrepreneur or operates a business, the place in which our company has its registered office shall be the place of the forum with jurisdiction; the seller remains however entitled to start an action against the buyer in the place of residence of the buyer.

(2) Any contract shall be governed solely by the law of the Federal Republic of Germany; application of Uniform UN Purchase Law CISG is excluded.

(3) Unless the order confirmation states otherwise, our place of business is the place of fulfilment for the contractual relationship.