

I. General Terms

All deliveries and performances shall be governed by the following conditions, as far as accepted by law. Exceptions to these conditions require a written agreement to become legally valid. Purchase conditions used by the customer shall not apply to the contract. Unless otherwise agreed upon actual INCOTERMS shall apply to the interpretation of Trade Terms.

In case discrepancies from translations or difficulties of interpretation should arise the German version of these conditions shall prevail.

II. Offers

All illustrations, drawings, declarations of weight and measures, information regarding the production process, consumption and efficiency are only approximate unless they are expressly stated as binding. The supplier retains all property rights and copy rights in view of estimates of cost, drawings and other supporting documents; they must not be made available to third parties. The supplier is obliged not to make plans available to third parties, if referred to by the customer as confidential unless the customer has given his consent.

III. Extent of Delivery

With regard to the extent of the delivery the supplier's written confirmation of the order shall be authoritative; in case an offer is made by the supplier with an obligation limited in time and acceptance within a set period his offer shall be decisive, if the order is not acknowledged by the customer in due course. Supplementary agreements or amendments require written confirmation by the supplier. Costs for additional equipment or installation which become necessary because of local conditions, the assembly of parts of the plant according to directives, orders or ordinances issued after the conclusion of the contract or because of different interpretation of the generally recognized rules of technology by the locally competent authorities, are at the customer's expense.

The supplier reserves amendments, improvements with regard to the construction, the use of material and the performance as far as no impairment of the usability arises.

Assembly and installation as well as the supervision and the commissioning of the article delivered shall be governed by special terms of the supplier.

IV. Price and Payment

1. All prices shall be ex works, loading in the works included, but exclusive of packing, unless another special agreement is made. In addition to these prices the German Value Added Tax will be charged to the current amount as set by law.
2. The prices are based on the present situation as to costs. In case of alteration of costs or conversion of the monetary system the supplier shall be entitled to adjust his prices to the current situation as to costs or currency. This right is due to the supplier until all obligations under the contract are definitely fulfilled by both parties of the contract.
3. If no special agreement is made the amount shall be paid in cash without any reduction free the supplier's paying agent as follows: 1/3 deposit after receipt order confirmation of order 1/3 as soon as customer is given notice that the main parts order delivery are ready for dispatch the remaining amount within another month.
4. The customer is only entitled to the retention of payment or setting-off of a counterclaim in case the counterclaim has become res judicata or has been acknowledged in writing by the supplier.

V. Period of Delivery

1. The period of delivery begins with the dispatch date of the confirmation of the order, but not before the customer has duly furnished supporting documents,

licenses and releases, and not before an agreed deposit has reached the supplier.

2. The period of delivery is observed if the article to be delivered has left the works before the expiring of the period or its readiness for dispatch has been notified to the customer.
3. Each period of delivery shall be appropriately extended upon circumstances with regard to industrial action, particularly strike and lockout, or the occurrence of unforeseen circumstances beyond the supplier's control as far as can be proved that such circumstances seriously affect the completion or the delivery of the article sold. This shall also be applicable in case these circumstances should occur with the supplier's sub-contractors. The supplier shall not be liable for the forestanding circumstances even in case they occur during delay already existing. In important cases, the commencement and conclusion of such circumstances will be communicated to the customer by the supplier as soon as possible.
4. In case a delay attributable to the supplier causes damage to the customer, he shall be entitled to claim compensation for loss occasioned by delay to the exclusion of any further claims. If the supplier is only at slight fault with regard to the delay, the compensation for every whole week of delay will amount to 1/2 %, but all together not more than 5 % of the value of that part of the total delivery that cannot be used in time or in accordance to the contract because of the delay.
5. In case dispatch is delayed on request of the customer, he will be charged for the costs of storing beginning one month after notice of readiness for dispatch has been given. In case the goods are stored in the supplier's works an amount of at least 1/2 % of the invoiced amount will be charged for each month. After having set an appropriate period of time and the expiring of this period the supplier is entitled to dispose otherwise of the article to be delivered and to supply the customer within an appropriately extended period.
6. The observance of the period of delivery presupposes the customer's compliance with the contract.

VI. Passing of Risk and Acceptance

1. At the latest the risk passes to the customer on dispatch of the articles to be delivered, even in case of partial delivery or if the supplier has taken over additional performances, e.g. paying of the costs of dispatch or delivery and installation. On the customer's request and at his expense the supplier will insure the consignment against losses caused by theft, breakage, transportation, fire or damage by water and further insurable risks.
2. In case dispatch is delayed because of circumstances the customer is liable for, the risk passes to the customer on the date the goods are ready for dispatch; the supplier, however, is obliged to effect on the customer's request and at his expense all insurance policies demanded by him.
3. Even in case delivered articles should have irrelevant defects, the customer has to receive them without prejudice to his rights according to Chapter VIII.
4. Partial delivery is admissible.

VII. Reservation of Title

1. The supplier retains title to the article delivered until all supplier's claims against the customer from business connections are settled inclusive claims accruing in future or from other contracts concluded at the same time or later. This shall also apply in case single or all claims of the supplier are allocated in a current account and the balance is struck and stated. The supplier shall retain all rights from the reservation of property until all, even possible contingent liabilities undertaken by the

supplier for the customer, in particular the becoming liable on a bill of exchange have completely expired by payment of the purchase price. The customer shall be entitled to resell the article delivered in the ordinary course of business, unless he has suspended payment or in case of bankruptcy or petition for instituting composition proceedings. All claims from resale due to the customer against his purchaser or third parties shall hereby already be assigned to the supplier, no matter whether the reserve goods are sold without or after processing. The customer shall keep the right for collecting the claim even after the assignment. The supplier's right to collect the claims due remains unaffected he, however, commits himself not to collect the claim as long as the customer duly performs his financial obligations. The supplier is authorized to demand that the customer gives notice about the assigned claims and their debtors and gives all necessary information for the collection of the claim, hands over all appropriate supporting documents and informs the debtors about the assignment. In case the article delivered is resold together with other goods not belonging to the supplier the customer's claim against the purchaser shall be considered as assigned to the supplier to the amount of the delivery price agreed between the supplier and his customer.

2. The supplier commits himself to release the securities due to him insofar as their value exceeds the claims to be covered by more than 25 % and as far as they are not already paid.
3. The supplier shall be entitled to insure the articles sold against losses caused by theft, breakage, fire, damage by water and further risks at the customer's expense unless the customer furnishes proof that he has effected the insurance policy himself.
4. The customer must not pledge or assign the article delivered by way of security. In case of attachment or seizure of the goods or other orders by third parties the customer shall inform the supplier immediately.
5. In case of the customer's breach of contract the supplier shall be entitled to a reclamation of the article sold after a demand for payment, and the customer shall be obliged to comply with the supplier's claim for return. The assertion of the reservation of title as well as the attachment of the reserve goods by the supplier shall not be considered as a rescission of the contract unless the German Statute covering Installment Sales (Abzahlungsgesetz) applies or the supplier expressly states the rescission of the contract in writing.

VIII. Liability and Warranty for Defects

For defects of the delivery inclusive the absence of warranted characteristics the supplier shall be liable, any further claims excluded notwithstanding any claims from Chapter X, 4, as far as accepted by law, as follows:

1. All those parts delivered which turn out to be useless or considerably impaired in their usability within a period of 6 months since their putting into service (3 months in case of multiple shift work) shall be repaired or replaced at the supplier's expense at his choice, subject to his reasonable exercised discretion. The customer's complaints must be due to circumstances given before the passing of the risk - particularly defective construction, bad engineering material or imperfect execution. The detection of such defects shall be notified to the supplier in writing without delay. Replaced parts become the supplier's property. In case the dispatch, installation or putting into service is delayed without the supplier's fault the warranty shall expire at the latest 12 months after the passing of the risk. In case of defects of substantial outside products the customer shall first assert claims assigned by the supplier against the producer of the outside products. If those are finally not even legally enforceable the customer is allowed in case of uselessness or considerable impairment of the usability of the parts to

lower the purchase price to the extent of the value of the defective parts. Further claims against the supplier shall be excluded.

2. The customer's right to assert claims based on defects shall in all cases become statute-barred after 12 months beginning with the date of timely notification of defects, at the earliest, however, on the expiry of the limitation period for buyers in actions for breach of warranty.
3. No warranty will be given for damages resulting from the following reasons: Unsuitable or improper use, defective assembly and installation or putting into service by the customer or third persons, wear and tear, incorrect or careless handling, unsuitable means of operation, substitute material, defective construction work, unsuitable building ground, chemical, electrochemical or electric influences, as far as they are not attributable to the supplier's fault.
4. The customer shall - after arrangement - give the supplier the time and opportunity required for the performance of repairs and replacements considered necessary according to the supplier's reasonably exercised discretion. Failing this the supplier shall be discharged from any warranty or liability for defects. Only in urgent cases of the endangering of the industrial safety or on defence of disproportionately great damages, which have to be immediately communicated to the supplier, or in case the supplier is on default with the removal of a defect, the customer shall have the right to remove the defect himself or have it removed by third persons and to claim the supplier's compensation for the amount necessary.
5. Of costs directly resulting from repair or delivery of a substitute - insofar as the complaint turns out to be justified - the supplier shall bear the costs of the replaced part inclusive dispatch costs as well as appropriate costs of dismantling and installation, further, in case this can reasonably be claimed in view of a particular case, costs of making available his mechanics and assistant helpers. All further costs fall on the customer.
6. The limitation period for the customer in actions for breach of warranty with regard to the replaced part and repair amounts to 6 months, but at least shall run until the expiring of the original limitation period for the customer in actions for breach of warranty with regard to the article delivered. The timelimit for liability for defects with regard to the article delivered shall be extended by the period of time of the interruption of business caused by the subsequent improvement work.
7. Alterations or repair work made by the customer or third persons in an improper way and without the supplier's prior approval shall discharge the supplier's liability for the consequences thus resulting.
8. Any liability for further damages as well as consequential damages shall be excluded as far as they do not result from the supplier's gross negligence or wilful action.

IX. Liability for Supplementary Obligations under the Contract

1. If through the supplier's fault the article delivered cannot be used by the customer according to the contract because of omitted or defective execution of propositions and recommendations given before or after the conclusion of the contract as well as other supplementary obligations - particularly instructions for operation and maintenance of the article delivered - the regulations of Chapter VIII and X shall apply mutatis mutandis. Further claims of the customer shall be excluded.
2. The supplier's liability for statements concerning consumption and performance, to which a tolerance of $\pm 20\%$ shall be in effect, shall exclusively be governed by the arrangement made in the acknowledgement of the order.

X. Customer's Right to Rescind the Contract

1. The customer is allowed to rescind the contract in case the supplier's entire performance becomes definitely impossible before passing of the risk. This shall also apply in case of the supplier's inability. The customer is as well allowed to rescind the contract if, in case of an order of articles of the same kind, apart of the delivery cannot be effected on account of the number and the customer has a legitimate interest to repudiate the partial delivery; otherwise the customer shall be permitted to reduce the purchase price appropriately.
2. In case the supplier is in default as defined in Chapter V of these conditions and the customer has given an appropriate additional time for delivery together with the express declaration that he will reject the acceptance of the delivery after the expiring of the additional time given, and this time limit is not observed, the customer is allowed to rescind the contract.
3. In case the impossibility of performance occurs during default or through fault of the customer he remains bound by contract to execute his counterperformance.
4. Furthermore the customer is allowed to rescind the contract in case the supplier through his own fault lets an additional period expire ineffectually granted to him for repair or replacement with regard to a defect he is liable for in the terms of these conditions. The right of rescission of the contract also exists in case of inability or impossibility of repair or replacement by the supplier.
5. All claims of the customer in addition to this shall be excluded, particularly with reference to the rescission of sale, termination of the contract, the reducing of the purchase price or the compensation of damages of any kind, inclusive of damages not incurred at the article delivered itself as long as they do not result from a supplier's gross negligence or wilful action.

XI. Supplier's Right to Rescind the Contract

In case of unforeseen circumstances as defined in Chapter V.3 of these conditions, the contract shall be adopted appropriately insofar as these circumstances substantially modify the economic relevance or the contents of the performance or considerably effect the supplier's works. In case this is economically not justifiable the supplier shall have the right to rescind the contract partially or entirely.

The customer shall have no right to claim damages in case of such rescission. In case the supplier wants to execute his right of retention he shall communicate this to the customer immediately after the realization of the consequences of the circumstance, even in case an extension of the delivery period was originally agreed upon.

XII. Place of Jurisdiction and Applicable Law

If the customer is a merchant who has to be entered in the commercial register as a merchant, a public corporation or a separate fund under public law all legal actions under this contract shall be taken at the court locally competent for the principal place of business or for the supplier's branch office effecting the delivery. The supplier shall also be entitled to take legal actions at the court locally competent for the customer's principal office.

The law of the Federal Republic of Germany shall be solely applicable. If a term or condition in whole or in part, be or become ineffective, this shall not affect the validity of the other terms or conditions.

The terms and conditions for the supply of machinery and equipment are available in German and English language. In case of doubt, the German document is relevant.