

General Terms of Delivery and Payment

1) General

a) All our deliveries and ancillary services, including future ones, shall be rendered exclusively on the basis of our terms and conditions set out below, unless expressly agreed otherwise in writing. Any general terms and conditions of the Purchaser shall only be binding on us if we have accepted them in writing.

2) Quotations and Contracts

a) Our quotations are subject to change in respect of prices, quantities, delivery periods and availability. Any contracts and assurances shall only become binding after written confirmation by us.

b) The documents forming part of the quotation, such as illustrations, drawings, weight and dimension specifications, shall only be roughly applicable, unless expressly designated as binding. The Supplier reserves title and copyright to cost estimates, drawings and other documents; they must not be made accessible to third parties. The Supplier is obliged not to make available any plans or documents designated as confidential by the Purchaser to third parties without the Purchaser's consent.

3) Price and Payment

a) Unless otherwise specially agreed, the prices shall be for delivery ex works including loading at the factory, however excluding packaging and transport. VAT at the respective statutory rate shall be added to the prices.

b) Unless otherwise specially agreed, payment shall be made free of charge to the Supplier's designated account without any deduction as follows:

- 30% down-payment after receipt of order confirmation,
- 60% as soon as the Purchaser has been notified that the main parts are ready for shipment,
- 10% upon acceptance in the Supplier's factory.

c) Withholding payments or offsetting against any counterclaims of the Purchaser disputed by the Supplier shall not be permitted.

4) Delivery Periods and Dates

a) Delivery periods and dates shall apply only approximately, unless binding delivery periods have been confirmed by us in writing. Delivery periods shall commence upon receipt of our order confirmation. Promised delivery periods shall be extended by the period by which the Purchaser is in default with his obligations towards us.

b) The delivery period shall commence upon dispatch of the order confirmation, however not before submission of the documents, permits, approvals to be obtained by the Purchaser and receipt of any agreed down-payment.

c) The delivery period shall be deemed met if, prior to its expiry, the delivery item has left the Supplier's factory, or readiness for shipment has been notified.

d) The delivery period shall be reasonably extended in the event of measures within the scope of labour disputes, in particular strikes and lockouts, and the occurrence of unforeseen obstacles which are beyond the Supplier's control, provided such obstacles are proven to have a significant impact on the completion or delivery of the delivery item. This shall also apply if such circumstances affect subcontractors.

e) Supplier shall not be responsible for the aforementioned circumstances, even if they arise while the Supplier is already in default. In important cases, the Supplier shall inform the Purchaser of the beginning and end of such obstacles as soon as possible.

f) If shipment is delayed upon the Purchaser's request the costs incurred by storage, in case of storage in the Supplier's factory at least, however, ½ % of the invoice amount per month, shall be invoiced to the Purchaser beginning one month after notification of the readiness for shipment.

g) After ineffective expiry of a reasonable deadline set by the Supplier, Supplier shall, however, be entitled to dispose of the delivery item otherwise, and to supply the Purchaser within a reasonably extended term.

h) Compliance with the delivery time is conditional upon the Purchaser fulfilling his contractual obligations.

5) Transfer of Risk and Acceptance

a) Risk shall be transferred to the Purchaser with the dispatch of the delivery items at the latest, even if partial deliveries take place or the Supplier assumed further services, e.g. the shipping costs or transportation and installation.

b) If requested by the Purchaser the shipment shall be insured by the Supplier at the Purchaser's expense against theft, damage caused by breakage, fire or water or during transport, as well as other insurable risks.

c) If dispatch is delayed due to circumstances which the Purchaser is responsible for, the risk shall be transferred to the Purchaser as of the day of readiness for dispatch; Supplier is, however, obliged to take out the insurances requested by the Purchaser at the Purchaser's expense.

d) Purchaser shall take delivery of the supplied goods, even if they are slightly defective, regardless of the right arising from the section "Retention of Title".

e) Partial deliveries shall be permissible.

6) Retention of Title

a) Our goods shall remain our property (goods subject to retention of title) until payment of our claims against the Purchaser from the business relation, irrespective of the legal cause, even if payments are made for specially designated claims. In case of open invoices, the title retained is regarded as security for the claim to the balance or for bills of exchange or cheques given.

b) We shall be entitled to demand information from the Purchaser at any time as to which goods delivered under retention of title are still in his possession, where these are located, and to inspect these. If the Purchaser fails to meet his contractual obligations, in particular be in default with purchase price instalments, we shall be entitled without granting a further grace period or declaration of cancellation to reclaim the goods subject to retention of title from the Purchaser, or, in the event of enforcing our right to recover possession, to take possession of the goods without recourse to legal action. Purchaser shall bear the risk for the goods subject to retention of title. Purchaser shall be obliged to store the goods carefully and to protect them adequately. He hereby assigns to us the claim against the insurance company in the event of damage, namely a priority share equivalent to the purchase price of the goods subject to retention of title.

c) Machining and processing of the goods subject to retention of title and delivery items shall be performed on our behalf as the manufacturer within the meaning of §950 BGB (German civil code) without any obligations arising for us. The processed goods shall be deemed to be goods subject to retention of title within the meaning of these provisions. In case of processing, connection or mixing of the goods subject to retention of title with other goods that do not belong to us we acquire co-ownership of the new item at the ratio of the invoice value of the goods subject to retention of title to the invoice value of the other goods used at the time of processing or mixing. The resulting co-ownership rights shall be deemed to be retained property within the meaning of these provisions.

d) The Purchaser may only sell our property in normal commercial transactions at his normal business conditions and subject to the following restrictions: he shall agree on retention of title within the meaning of these terms with his customers, and his claim from the resale shall be transferred to us according to the following section:

e) The Purchaser's claim from the resale of the goods subject to retention of title – also from bills of exchange accepted – are already now assigned to us with all ancillary rights. Should the goods subject to retention of title be sold with other goods not belonging to us, either without or after processing, mixing or connection, assignment of the claim from resale shall apply only to the amount of our invoice value of the goods subject to retention of title sold in each case, or where goods in which we acquired co-ownership are concerned to the amount of the invoice value of the co-ownership share.

f) At our request, the Purchaser shall be obliged to inform his customers of the assignment for the purpose of payment to us, and to provide us with all information and documents required to enforce our rights towards acquiring third parties.

g) The Purchaser shall be entitled to collect all claims assigned to us and use the proceeds for himself, as long as he meets his financial obligations properly. The Purchaser shall not be permitted to assign the claims. We undertake to release, upon the Purchaser's request, the securities we are entitled to according to the provisions above at our discretion in so far as their value exceeds the accounts receivable to be secured by 20%. If we assert retention of title, this shall only be deemed to constitute withdrawal from contract if expressly stated so by us.

7) Liability for Defects of the Delivery

a) For defects of the delivery, including the lack of assured characteristics, the Supplier shall be liable as follows, excluding further claims notwithstanding section "Purchaser's Right of Withdrawal and Other Supplier's Liability", clause 4:

b) All parts that turn out to be unusable or considerably impaired in their usability within 6 months after commissioning due to a circumstance which occurred prior to the transfer of risk, in particular due to faulty design, inferior building materials or unsatisfactory execution, shall be repaired or replaced free of charge according to the Supplier's reasonable discretion. Detection of such defects shall immediately be notified to the Supplier in writing. Replaced parts shall become the property of the Supplier.

c) If dispatch, installation or commissioning is delayed through no fault of the Supplier, the liability shall expire 12 months after the transfer of risk at the latest.

d) For any essential third-party products, the Supplier's liability shall be limited to the assignment of the liability claims the Supplier is entitled to from the supplier of the third-party product.

e) The Purchaser's right to enforce claims based on defects shall expire in all cases 6 months from the date of timely notice of defects, on the earliest, however, upon expiry of the warranty period.

f) No warranty shall be assumed for any damage due to the following reasons:

g) Unsuitable or improper use, incorrect assembly or commissioning by the Purchaser or third parties, natural wear and tear, incorrect or negligent treatment, unsuitable operating materials, replacement materials, imperfect construction work, unsuitable building ground, chemical,

h) electrochemical or electrical factors, unless these are attributable to a fault of the Supplier.

i) In order to carry out all subsequent improvements and replacement deliveries deemed necessary by the Supplier at his reasonable discretion, the Purchaser shall grant the required time and opportunity after consultation with the Supplier;

j) otherwise Supplier shall be released from any defect liability. Only in urgent cases of danger to operational safety or to prevent disproportionately large damage, in which case the Supplier must be informed immediately, or if the Supplier is in default with eliminating the defect, the Purchaser shall be entitled to remedy the defect himself or to have the defect remedied by third parties and to demand reimbursement of the necessary expenses from the Supplier.

k) Of the direct costs incurred as a result of the repair or replacement delivery the Supplier shall bear, in so far as the complaint proves to be justified, the costs of the replacement part including shipping

l) and the reasonable costs of removal and installation, and further, if this can reasonably be demanded under the circumstances of the individual case, the cost of providing his fitters and auxiliary personnel where necessary. All other costs shall be borne by the Purchaser.

m) The warranty period for the replacement part and the repair shall be three months, but no less than the original warranty period for the delivery object. The period of liability for defects shall be extended by the period of time for which operation was interrupted due to the work required to rectify the defect.

n) Any improper modifications or repair work carried out by the Purchaser or by third parties without the Supplier's prior approval, shall terminate the Supplier's liability for the consequences resulting therefrom.

o) Further claims of the Purchaser, in particular any claim to compensation of damages that have not occurred on the delivery object itself shall be excluded.

p) This exclusion of liability shall not apply in case of intent or gross negligence on the part of the owner or executive employee and in those cases in which according to the product liability act liability shall be assumed for personal or property damage to items in private use due to defects of the delivered good. Neither shall it apply in cases where certain characteristics or properties which were explicitly guaranteed are missing, if the guarantee had aimed at protecting the Purchaser against damage not occurring on the delivery item itself.

q) In the event of any improper repair or rework by the Purchaser or any third party, the Supplier shall not be liable for the consequences thereof. The same applies in the case of changes made to the delivery item without the Supplier's prior consent.

8) Liability for Secondary Obligations

a) If the item supplied cannot be used as stipulated in the contract due to the fault of the Supplier as a result of negligent or incorrect execution of proposals and consulting that took place prior to or after the contract conclusion and other secondary obligations under the contract, in particular relating to the operation and maintenance manual for the delivery item, the regulations in the sections "Liability for Defects of the Delivery" and "Miscellaneous" shall apply to the exclusion of further claims on the part of the Purchaser.

9) Purchaser's Right of Withdrawal and Other Liability of Supplier

a) The Purchaser may withdraw from the contract if complete performance definitely becomes impossible for the Supplier prior to the transfer risk. The same shall apply to the inability to perform on the part of the Supplier. The customer may also withdraw from the contract if in case of an order for items of the same type, execution of a part of the delivery becomes impossible in terms of quantity and the Purchaser has a justified interest in refusing a partial delivery; if this is not the case the Purchaser shall be entitled to reduce the compensation accordingly.

b) If there is a delay in performance within the meaning of the section "Delivery Periods and Dates" of the terms of delivery and payment, and the Customer grants the Supplier in default an appropriate grace period with the express stipulation that acceptance of performance will be refused after expiry of this period, Purchaser shall be entitled to withdraw from the contract, if this period is not being complied with.

c) If the inability occurs during the delay of acceptance or by fault of the Purchaser, the Purchaser remains liable to consideration.

d) Furthermore, the Purchaser shall have a right of withdrawal if the Supplier allows an appropriate grace period for the correction of a fault or defect he is responsible for within the meaning of the terms of delivery to pass without taking action and through his own fault. The Purchaser has also a right of withdrawal in other cases of failure of the Supplier to repair, or replace defective parts. Any and all other claims of the Purchaser, in particular to cancellation, termination or reduction and compensation of damages of any kind, including damage which has not occurred on the object of delivery itself, shall be excluded.

e) This exclusion of liability shall not apply in case of intent or gross negligence on the part of the owner or executive employee and in those cases in which according to the product liability act liability shall be assumed for personal or property damage to items in private use due to defects of the delivered good. Neither shall it apply in cases where certain characteristics or properties which were explicitly guaranteed are missing, if the guarantee had aimed at protecting the Purchaser against damage not occurring on the delivery item itself.

10) Place of Jurisdiction

a) For all disputes arising under the contract legal action shall, if the Purchaser is a qualified merchant, a legal person under public law or a special fund under public law, be taken before the competent court at the place of the Supplier's head office

b) or at the place of the subsidiary where the delivery occurred. The Supplier shall also be entitled to raise action at the Purchaser's head office.

11) Miscellaneous

a) Return of our products requires our previous written consent and stating of our invoice number. The goods must be returned to our factory in Lüneburg free of freight charges. A credit note shall be issued after deduction of inspection and re-storing costs incurred by us and any value reduction of the product. Custom-made products and spare parts shall be excluded from return.

b) All interference into our software, as well as modifications, copying and imitations without our prior consent are not permissible.

c) These terms and conditions shall also apply abroad, as far as legally permissible. This shall not apply to warranty and liability which shall be agreed separately in each case. All legal issues not covered here shall be subject to German law (BGB (German civil code) and HGB (German commercial code)).

d) In the event that individual provisions of the terms stated above are or become invalid this shall not affect the validity of the remaining provisions. The invalid provisions shall be replaced by provisions that come closest to the economic purpose of the agreement and suitably protect the interests of both parties.