

1. General

- 1.1 The following terms and conditions of sale and delivery shall form the basis of our deliveries, other services performed by us and offers. The scope of the delivery or service performed shall be governed by the mutual declarations.
- 1.2 These conditions shall be regarded as accepted, at the latest by taking delivery of the consignment or by accepting the service. Any counter-confirmations of the customer with reference to his general terms and conditions and conditions for purchasing cannot be accepted.
- 1.3 Subsidiary agreements shall only be valid, if confirmed by us in writing.

2. Delivery

- 2.1 Delivery shall be performed according to agreement. Shipment costs shall be charged to the customer. If no express agreement is made on the dispatch type sequence and the means of transportation, we will select with due diligence.
- 2.2 In case of a delivery carriage prepaid, the charges of future increases of the forwarding and customs costs shall be for the customers account. The transport insurance shall not be covered by us.
- 2.3 The packaging – unless taken over as a loan, as a rent or free of charge - shall be charged by us at a bargain price. In case of a carriage prepaid return consignment of the packaging as a loan, we shall credit 2/3 of the charged sum within an adequate period of time.
- 2.4 The risk shall pass to the customer as soon as the consignment was handed over to the person performing the transport and/or left our warehouse for forwarding. If the shipment is delayed or not executed and/or the take-over remains undone due to causes for which we may not be held responsible, the risk shall pass to the customer at the moment of the notice of readiness for shipment and/or readiness for take-over.

3. Period of delivery, delivery hindrances

- 3.1 The period for deliveries or services shall start on the day where the written agreement on the order between the customer and us is present. The compliance with the delivery and service commitment by us shall presuppose the timely and duly compliance of the customer's commitment. If these commitments are not fulfilled in time, the period shall be extended adequately.
- 3.2 The compliance with the period of delivery shall be under the reserve of a correct and timely self-supply.
- 3.3 The period shall be regarded as complied with when the ready consignment was dispatched or picked up within the agreed period of delivery or service. If the delivery is delayed due to reasons for which the customer is responsible, the period shall be regarded as complied with at the moment of the notice of the readiness for shipment within the agreed period.
- 3.4 If the non-compliance with the period for deliveries or services can evidently be explained by mobilization, war, civil commotion, strike, lock out or the arising of unforeseen hindrances lying beyond our will, the period shall be extended adequately. We shall be entitled to withdraw partially or in whole from the contract due to a still not fulfilled part.

- We shall inform the customer as soon as possible of the beginning and the end of such circumstances.
- 3.5 In case of a non-compliance with the period due to reasons other than mentioned in sec. 3.4, the customer may claim - provided he can substantiate that he met with a loss due to the delay - a delay compensation for each completed week of the delay of 0.5%, however, in all at the most up to 5% of the value of the part of the deliveries or services which couldn't have been put into serviceable operation due to the untimely completion of single objects forming part of it. Other claims of the customer for compensation shall be excluded in all cases of delayed deliveries, even after the expiration of a period possibly fixed by the supplier. This shall not apply to those cases where a strict liability exists in case of deliberate act or gross negligence.
- 3.6 If the customer is granting us being in delay - in consideration of the legal exceptional cases- an adequate period for the service and this period is not observed, the customer shall be entitled to withdraw from the contract within the framework of the legal provisions.
- 3.7 We shall be entitled to perform part deliveries and part services, at any time.
- 3.8 If the customer gets in default of acceptance, we shall be entitled to claim compensation for the resulting loss; the risk of an accidental deterioration and accidental destruction shall pass to the customer with the occurrence of the default of acceptance.

4. Prices

- 4.1 The prices quoted in our order and/or the prices according to our supplied price list from time to time prevailing, to which we refer, shall be valid. Unless otherwise agree, the prices shall be ex works.
- 4.2 We reserve the right to a change of our prices, if the raw material prices, the prices of the presuppliers, wages, transport costs, tax rates or other cost factors change up to the execution of the order.

5. Payment

- 5.1 If not otherwise agreed upon in writing, the following terms of payment shall be valid:
- a) Within 30 days net cash
- b) Within 10 days starting from the date of invoice with 2% discount
- It is expressly referred to the legal provisions in § 286 par. 3 BGB (Civil Code), according to which a debtor of a claim for money compensation gets into default the latest within 30 days after the payment date and invoice received.
- 5.2 In spite of contrary provisions of the customer, we shall be entitled to credit payments at first against older debts of the customer. We shall inform the customer on the type of the performed settlement. If already costs and interests accrued, we shall be entitled to credit the payment at first against the costs, then the interests and at last against the main service.
- 5.3 As far as the term of payment for claims is extended, they shall be due immediately without deduction, if the customer gets into default of a payment or if we get informed of an important deterioration of his pecuniary circumstances. A payment shall only be regarded as made when we are able to dispose of the sum.

- 5.4 If we get informed of circumstances which make the creditworthiness of the customer doubtful, we shall be entitled to ask for advance payment or security deposit.
- 5.5 The customer shall only be entitled to keep back payments or to credit them against counterclaims as far as his counterclaims are undisputed or finally ascertained.

6. Reserve of title

- 6.1 Until payment of all claims (including all balances from current account) which we may have against the customer now or in future for whatsoever legal reason, the following securities shall be given to us, which the customer shall have to release at his own selection upon request insofar as the value exceeds the claim by more than 20% in a lasting way.
- 6.2 The goods shall remain our property. Processing or transformation shall always be made for us as manufacturer, but without any obligation for us. If our property (share) is terminated by a combination, it shall already now be agreed that the property (share) of the customer to the uniform object shall pass to us in a value proportionate way (invoice value). The customer shall keep our property (share) gratuitously in custody. Goods to which we have a property (share) shall be designated as collateral in the following.
- 6.3 The customer shall be entitled to process and resell the collateral in the normal business relationship as long as he hasn't come in default. Any attachments or cessions of security shall not be allowed. As a precaution, the customer herewith assigns already now to us to the full extent, all accounts receivable arising from the sale or another legal ground (insurance, torts) relating to the collateral (including all balances from current account). We authorize the customer in a revocable way to collect the claims assigned to him for his account on his own behalf. This authorization for collecting accounts receivable can only be revoked when the customer does not meet with his obligations to pay in a proper manner.
- 6.4 In case of seizure of the collateral by third parties, especially in case of attachments, the customer shall have to prove immediately our property to the object against the third party and/or the executory officer; in addition the customer shall immediately notify us of this measure and support us with the protection of our rights in any way. As far as the third party is not able to refund the judicial and extrajudicial costs to us, the customer shall be held liable for those costs.
- 6.5 In case of a behavior of the customer contrary to the contract – especially in case of default in payment – we shall be entitled to take back the collateral or, if necessary, to demand the cession of the rights of redemption of the customer against third parties. The taking back and/or attachment of the collateral shall not be regarded as a waiving of the reserve of title or as a withdrawal from the contract.

7. Warranties

- 7.1 The customer shall promptly examine the delivered goods upon receipt – as far as reasonable even by means of a trial processing – for defects relating to the condition and the purpose of application; otherwise the goods shall be regarded as approved.
- 7.2 A reclamation shall only be accounted for when it is asserted in writing and by attaching evidence within 8 days after receipt of the goods - in case of hidden defects after their detection, however, not later than 6 months after receipt of the goods.
- 7.3 All those parts or services shall gratuitously be repaired or delivered again by us at our own selection, which prove to be not considerably defective because of a circumstance at the moment when the risk passes to the customer, especially due to defective construction, bad material or faulty execution. Replaced parts shall become our property.
- 7.4 After having notified us, the customer shall grant us the necessary time and opportunity which we think to be required for the execution of all repairs and replacement deliveries, otherwise we shall be discharged from the liability for the consequences resulting from it. Only in urgent cases of risk to the industrial safety and/or avoidance of disproportionately big damages, in case of which we shall be notified at once, the customer shall be entitled to rectify the defect himself or to have it rectified by a third party and to demand a compensation for the necessary, adequate expenditures from us. Otherwise, the customer shall not be entitled to a substitute performance, i.e., we shall especially not be liable for such substitute performance costs caused by the customer without the existence of the just described prerequisites or without written agreement.
- 7.5 From the costs resulting from the repair and/or replacement delivery (for substitute performance costs only the provisions in Sec. 7.4 shall be applicable), we shall bear - as far as the reclamation proved to be legitimate – the costs of the replacement part including the shipment as well as the adequate costs for the dismounting and mounting, further, if this may fairly be demanded under the circumstances of the individual case, the costs of the possibly necessary ordering of its mechanics and assistants.
- 7.6 The customer shall have to meet with the incumbent contractual commitments, especially the agreed terms of payment. If a claim is asserted, the customer shall be allowed to hold back payments to such an extent that are in an adequate relation to the occurred defects. However, if the contract belongs to the operation of a trade business, the customer shall only be allowed to hold back payments when a claim is asserted, about the justification of which there may be no doubt at all.
- 7.7 The customer shall have the right to withdraw from the contract within the framework of the legal provisions, if we let expire ineffectively an adequate period of time for him – in consideration of the legal exceptional cases - for the repair or replacement delivery due to a defect of quality. If there is only an insubstantial defect, the customer shall only be entitled to the right of reduction of the contractual price. Otherwise, the right of a reduction of the contractual price shall be excluded.
- 7.8 No warranty shall be assumed for the wear and tear and wearout, further not for damages, resulting – after the risks having passed to the customer - from faulty, inappropriate, improper

or careless handling, undue stress, inadequate maintenance, use of inappropriate operating material, inadequate construction works, inappropriate foundation soils and chemical and electrical influences, which are not provided pursuant the contract – as far as we have not to account for them.

- 7.9 We shall not be liable for the resulting consequences, when the customer or a third party performs a repair in an inappropriate way. The same shall apply to modifications of the article of delivery executed without our prior approval.
- 7.10 Further claims of the customer against us and our vicarious agents shall be excluded; especially a claim for compensation for damages that were produced not at the article of delivery itself. This shall not apply to those cases where a strict liability in case of deliberate act, gross negligence or lack of guaranteed characteristics exists.
- 7.11 In case of use of the article of delivery with an infringement of industrial property rights or copyrights at home, we shall, as a rule, procure on our own costs the customer with the right for further use or modify the article of delivery in a reasonable way for the customer, so that there will no longer be an infringement of industrial property rights. If this is not possible under economic adequate conditions or within an adequate period of time, the customer may terminate the contract. We, too, shall have the right to withdraw from the contract under the aforesaid conditions.

7.12 The obligations by us mentioned in Sec. 7.11, shall conditionally be in conclusion for the case of trade mark or copy right violation, under reservation.

8. Rights to documentation

- 8.1 Our drawings, designs as well as other documents shall exclusively belong to us. The use by the customer or third parties shall require a previous approval be us.
- 8.2 Especially the reproduction or other use of the terms of delivery, sales documents, price lists, brochures or further advertising material shall only be permitted with our previous written approval.

9. Production revision

We reserve the right to perform production revisions, at any time; we shall, however, not be obliged to perform such revisions also at already delivered products.

10. Limitations of liability

We shall only be liable for damages having come into being not at the object itself – for whatsoever legal cause – in case of deliberate act, gross negligence of the owner / bodies or leading employees, in case of culpable damage to life, body, health, in case of defects which we maliciously concealed or the absence of which we guaranteed, in case of defects of the article of delivery as far as there is a liability according the Product Liability Law relating to damages to persons or property at privately used products. In case of culpable infringement of essential duties arising from the agreement, we shall also be liable for gross negligence of non-leading employees or in case of ordinary negligence; especially limited to the damages reasonably foreseeable for this kind of agreement.

11. Statute of limitations

All claims of the customer – for whatsoever legal ground – shall be barred by statute of

limitations 12 months from the date of delivery of the product of delivery and/or in case of claims resulting from an express guaranty agreement 12 months from the customer's knowledge of the defect. The legal terms shall be valid in case of malicious behavior as well as for claims resulting from the Product Liability Law. This shall also apply for defects of a building or for products of delivery used for a building according to their normal use and the defectiveness of which caused damages. The performance of a repair shall not lead to a restart of the statute of limitations.

12. Place of performance / place of jurisdiction

- 12.1 The place of performance shall be Sindeldorf. This shall also apply to deliveries and services relating to customers abroad.
- 12.2 Exclusively the governing law of the Federal Republic of Germany prevailing for legal relationships of domestic parties amongst each other shall be valid for all legal relationships between us and the customer.
- 12.3 The place of jurisdiction shall be the competent court at our place of business at Künzelsau. We shall, however, be entitled to file an action at the main place of business of the customer.
- 12.4 In case of the customer being a full merchant, the unique place of jurisdiction for all disputes resulting indirectly or directly from this contractual relationship shall be our main place of business.

13. Binding effect of the agreement

Even in case of a legal invalidity of single items, the agreement shall remain binding in the remaining parts.

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