

GENERAL CONDITIONS OF SUPPLY AND DELIVERY

I. Validity

- (1) The following „General Conditions of Supply and Delivery“ shall be applicable for all contracts, deliveries and other services, including consultations as far as these conditions have not been changed or excluded with prior consent of the Supplier.
- (2) General Conditions of Supply and Delivery of a Purchaser shall not be applicable even if we have not opposed expressly unless confirmed in writing.

II. Conclusion of a contract. Written form.

- (1) Our offers are without engagement. An order shall be deemed as accepted not before our written confirmation or delivery. The text of our confirmation of order or invoice shall be binding exclusively.
- (2) All agreements, statements or other particulars are binding in written form only; telephon calls and telegrams have to be confirmed in writing by us.

III. Scope of supplies and services

- (1) Minor changes of datas in documents, drawings, weights, etc. enclosed to our offers shall be admissible.
- (2) We reserve minor changes of the construction, interpretation, material and fabrication after dispatch of the confirmation of order expressly provided that such minor changes will not affect prices and/or essential components or the time of delivery.
- (3) The minimum value of each order shall amount to € 50.-- (without VAT).

IV. Period for supply of deliveries

- (1) The time for deliveries starts with the dispatch of our confirmation of order but not before clarification of all technical details.
- (2) If the period for supply of deliveries can be proven to have been exceeded due to circumstances beyond our or our Suppliers control for instance force majeure, war, riot, encroachment of authorities, power supply, strikes or lock out, such period shall be adequately extended. Should such circumstances continue longer than 4 weeks each party is entitled to rescind the contract.
- (3) Should the dispatch become delayed upon the customer's request, the customer shall bear the additional cost and the risk of accidental loss or the accidental deterioration of the goods from the time of readiness for dispatch.
- (4) We are entitled to charge reasonable storage costs if storing becomes necessary; we reserve further claims especially in accordance with § 373 of the Commercial Code (HGB).
- (5) We reserve part and premature deliveries.
- (6) Compliance with the agreed time of delivery requires the customer's proper fulfilment of all contractual obligations.
- (7) The time of delivery shall be deemed to have been met if within the mentioned period the goods have left the storehouse or, if earlier, the customer has been advised about our readiness for dispatch.
- (8) Purchaser shall be entitled to claim liquidated damage in case that the originally agreed time of delivery has been culpably exceeded by the seller and the Purchaser renders a damage believable owing to the delay; the liquidated damage shall amount 0,5 percent for every completed week of delay up to an overall total of 5 percent of that part of supplies which could not be taken into useful operation due to the delay.

V. Transfer of risk, dispatch, package

- (1) Risk shall pass to Purchaser, even if freight delivery paid has been agreed upon:
 - a.) Where supply offered does not include erection or installation: whenever goods ready for operation have been delivered to carrier or picked up.
 - b.) Where supply offered includes erection of installation: the day Purchaser has taken over goods for operation.
 - c.) If shipment delivery, commencement or execution of erection or installation is delayed at the request of Purchaser or for the reasons within Purchaser's responsibility, risk shall pass to Purchaser for such period of delay.
- (2) Dispatch takes place for the account and at the risk of the customer. At our option shall remain way and means of transportation provided that the customer has not given shipping orders.
- (3) Packing cost, especially for boxes will be charged at self-cost.
- (4) The seller is entitled but not obliged to insure deliveries on behalf and for account of the Purchaser.
- (5) Dispatch to foreign countries or to third parties requires accepting in our storehouse by the Purchaser after our written advice. Compliance with the agreed conditions of delivery shall be deemed as fulfilled if the Purchaser fails accepting of the goods.

VI. Prices, terms of payment

- (1) Our prices are ex distributing depot.
- (2) Our prices are based on decisive cost valid at the time of our offer (confirmation of order). We reserve the right to adequate modifications of prices if between conclusion of a contract and time of delivery our decisive cost increase.
- (3) Customer's payments have to be effected to our bank accounts free from all deductions at agreed time; payments shall be deemed as effected on the day on which we can dispose of the transferred amount and will be taken into account with effect to the longest open debt due for payment. Customer's rights of retention and compensation are permitted only against claims admitted by us or determined by court order; retention or compensation must be in an adequate proportion to a claimed defect admitted by us.
- (4) Our invoices are dated on the day of dispatch of the goods. Date of payment within 30 days from the date of invoice net without deduction.
- (5) Bills of exchange and cheques are accepted as payment only. Bank charges and collecting fees are to be born by the customer.

- (6) We reserve the right to claim for default interest if the customer exceeds a fixed time of payment; default interest amount to 8 % more than the basic rate of interest of the European Central Bank but at least 8 % per year; we reserve the right to raise a claim for further damage.

VII. Material Defects

The Supplier shall be liable for defects in quality as follows:

- (1) The Supplier shall at his discretion repair or replace such part or perform new such services free of charge as have shown a defect in quality within the period of limitations, regardless of actual operating time – owing to circumstances prior to transfer of risk.
- (2) Claims due to defects in quality fall under the statute of limitation after 12 months provided no longer period of limitation is applicable by statutory law.
- (3) The Purchaser shall notify in written form a defect in quality or services without undue delay in accordance of § 377 of the German Commercial Code (HGB).
- (4) After notification of a defect in quality the Purchaser may retain payments in an adequate proportion to such a defect provided by the Supplier's acknowledgement; an unjustified notification of a defect entitles the Supplier to claim for compensation of incurred expenses.
- (5) The Purchaser shall grant to the Supplier opportunity and reasonable time for the purpose of performance free from defects.
- (6) Should the performance fail the Purchaser shall have the right to demand cancellation or claim for a reduction of the purchase price regardless to other claims for damages in accordance to clause VIII.
- (7) No liability for defects in quality exists in case of an inconsiderable deviation from the agreed upon quality, inconsiderable impairment of the usability, natural wear and tear or damage arising after the transfer of risk owing to faulty or negligent handling, excessive strain, unsuitable materials for operation, deficient civil engineering work, unsuitable soil conditions and such influences which are not assumed according to the contract as well as any irreproducible software defects. Unappropriate alterations or repairs caused by the Purchaser or a third party exclude the right to claim for defects.
- (8) Claims of the Purchaser for expenses incurred for the purpose of performance, in particular cost relating to transport, personnel and material are excluded to the extent such expenses increase because the delivered good has been transported to the place other than the establishment of the Purchaser after its delivery. This shall not apply in case such transport corresponds to its characteristic use.
- (9) Any statutory claim for restitution of the Purchaser against us only exists to the extent the Purchaser does not conclude any agreements with its Sub-Purchaser which exceeds the statutory claims for defects in quality. Subsection (8) shall also apply to determine the extent of the claim for restitution of the Purchaser against us.
- (10) Clause VIII (Further claims for damages) shall be applicable for claims for damages. Exceeding claims of the Purchaser or others than regulated in clause VII against the Supplier due to a defect in quality shall be excluded.

VIII. Further claims for damages

Claims for damages of the Purchaser arising from the breach of contractual obligations, of obligations in contractual negotiations from tort or from whatever nature are excluded. This does not apply where e. g. Supplier is liable by compulsory law. Claims of damage arising from clause VIII shall be deemed as barred after expiration of the period of limitation as under because VII (2).

IX. Retention of title

- (1) Title to all items of goods delivered (Secured Goods) is retained by Supplier until each and every claim of Supplier against Purchaser originating from the business relation has been duly satisfied. To the extent the value of all security interests accruing to the Supplier exceeds the value of all secured claims by more than 20 %, Supplier shall upon request release a respective part of the security interest.
- (2) For the duration of the retention of title, the Purchaser is prohibited to pledge or transfer the security title in the Secured Goods, and a resale shall be permissible only to resellers in the ordinary course of business and only under the condition that the reseller receives payment from his customer or retains title so that the property is transferred to the customer only after complete fulfillment of his obligation to pay.
- (3) In case of seizures, attachments or other disposals or interventions of third parties, the Supplier shall be immediately informed thereof by the Purchaser.
- (4) In case of breach of contractual obligations by the Purchaser, especially a default in payment, the Supplier shall be entitled to take back the goods. The Purchaser shall be obliged to return the purchased goods. The taking back, the assertion of the retention of title or the seizure of the Secured Goods by the Supplier can not be regarded as cancellation of the contract except if expressly stated by the Supplier.

X. Other provisions

- (1) If Purchaser is a company, a juristic person or a corporate body place of delivery and exclusive place of jurisdiction in case of all litigations arising directly or indirectly out of the Contract including actions on a cheque or on a bill of exchange shall be the domicile of Supplier's head office.
- (2) Contractual relations shall be governed by German law. The UN-Purchase law (CISG) shall not be applicable.