

GENERAL TERMS AND CONDITIONS OF SALE

1. General

- a) Our goods and service deliveries shall be governed exclusively by the following General Terms and Conditions of Sale. Terms and conditions of the Buyer that are in conflict with or in contradiction to our General Terms and Conditions of Sale shall not be accepted by us unless we have given our express written consent to their applicability. Our General Terms and Conditions of Sale shall also apply if we, being aware of terms of the Buyer that do contradict or are in conflict with our General Terms and Conditions of Sale, execute the delivery to the Buyer without raising objections.
- b) All agreements made between us and the Buyer with regard to the execution of this contract have been set forth in writing in said contract.
- c) Our General Terms and Conditions of Sale shall apply only to business relationships with entrepreneurs pursuant to § 310 Section BGB (German Civil Code).
- d) Our General Terms and Conditions of Sale shall also apply to all future business transactions with the Buyer.
- e) We reserve all intellectual property and copyrights inherent in images, drawings, calculations and other documentation. This shall also apply to such written documentation that is designated as *confidential*. The sharing of any such documentation by the Buyer with third parties shall be subject to our prior express written consent.

2. Order Confirmation and Rescission

- a) We shall make all orders received contingent upon complete technical and commercial clarification.
- b) Until an order has been confirmed by way of a written order confirmation, all quotations submitted by us shall be subject to change. Upon receipt and acceptance of an order, we shall simultaneously initiate production with the aim of delivering at the earliest possible date. Consequently, changes or cancellations shall not be possible. Retroactive change requests are therefore possible only subject to reimbursement of any costs already incurred at the time of the change request.
- c) The brochures, promotional material, catalogues, images, price lists etc. pertaining to our products and the data they contain shall be non-binding unless they have been expressly designated as binding by us. Any minor changes in engineering, form or design resulting from technical progress shall not be grounds for claims or rescission from the contract.
- d) In the event that the Buyer should rescind from the contract for reasons we are not responsible for, or if the Buyer refrains from contractual commitments in any other way, we shall have the right to demand 40 % of the contract value to compensate for lost profits and for costs incurred, unless the Buyer can render proof that no damages or significantly lower damages were incurred. This shall be without prejudice to our right to charge the concrete amount of damages incurred.

3. Prices

- a) Provided the order confirmation does not contain anything to the contrary, our prices shall be understood *ex factory*. These prices shall be applicable in the event that production can proceed without interruptions and provided the entire order is shipped completely at one time. Partial shipments of orders initiated by the Buyer translate into additional expenditures, which shall be billed to the Buyer.
- b) In the event that fixed price agreements have not been made, we shall bill the prices in effect on the date of delivery. However, we do reserve the right to adjust our prices by reasonable amounts if upon completion of the contract cost reductions or cost increases should occur, especially based on union negotiated wage agreements or material price changes. Upon request, we shall document the occurrence of such changes to the Buyer.
- c) Applicable value added tax is not included in our prices; the amount required by law in effect on the billing date shall be charged additionally and will be specified separately in the invoice.
- d) In the event that a foreign jurisdiction buyer within the intra-European market should fail to meet buyer's sales tax obligations, our prices shall be increased by the respective sales tax amount in effect in the Federal Republic of Germany (VAT) at the time.

4. Payment

- a) Unless otherwise agreed upon, our payments shall be due for net payment upon transfer of the goods.
- b) The deduction of a cash discount shall be subject to a prior specific written agreement.
- c) All payments shall be made directly to us only. Once received, they shall first be applied to any costs and interest incurred and subsequently to the oldest pending receivables. Bank drafts, checks or other payment instruments shall be accepted only in lieu of cash payment. Discount and bank draft fees as well as any other costs charged by our bank shall be for the account of the Buyer.
- d) Only individuals who carry a written power of attorney to collect payments on our behalf shall be authorized to receive payments made to us and shall be required to use our pre-printed receipt forms.
- e) In the event that the Buyer should be in default of payment, we shall have the option to charge late payment interest in an amount of 9 % above the respective prime rate published by the German Federal Bank p.a. If we are in a position to prove higher damages resulting from the late payment, we shall have the right to claim same.
- f) In the event Buyer's payment default, all other receivables owed to us by the Buyer from all legal transactions shall be rendered due for immediate payment, even if we have accepted checks or bank drafts for same. This shall also apply if the Buyer is only in default of payment of partial receivables.
- g) The Buyer shall have the right to set off own receivables against our receivables only if Buyer's counter claims have been found legally effective by a court of law, or if same are undisputed or have been accepted by us. In all other cases Buyer shall not have the right to refuse performance or to execute any withholding rights.

5. Packaging/Delivery/Transfer of Risks

- a) Packaging shall be handled in compliance with professional and standard trade aspects. Special packaging and replacement packaging, e.g. for repair objects delivered to us without packaging, shall be subject to packaging charges at our cost. For certain transportation sensitive items, we will charge for special packaging. Transportation and all other packaging provided in compliance with the Packaging Directive shall not be accepted by us for return.
- b) In the event that the Buyer should explicitly request a special mode of shipping, we shall bill all related additional costs.
- c) Unless otherwise stipulated in the order confirmation, ex factory delivery shall be deemed to have been agreed upon. Shipment shall occur with freight due at the destination unless otherwise agreed upon in writing.
- d) The risk of accidental loss or accidental decline of the condition of the goods ordered from us shall transfer to the Buyer once the goods have been loaded at our end, even if we absorb the transportation costs or even if transportation is being handled by one of our own vehicles. It shall be the Buyer's responsibility to obtain transportation insurance if so desired.
- e) The Buyer shall be responsible for the unloading of the merchandise. Unloading shall be performed immediately upon arrival. Excessively long unloading and waiting times lead to additional expenses, which will have to be reimbursed by the Buyer. In the event that transportation damages or losses should be discovered, the Buyer shall, with the assistance of the driver, compile an inbound inspection log. If the damages are substantial, the Buyer shall notify us immediately and if necessary involve an insurance damage assessment officer for the evaluation of the damages.
- f) We shall have the option to make partial shipments and bill for same.

6. Delivery Times

- a) We provide information on delivery times, delivery deadlines and other due dates based on our best knowledge. They provide approximate information based on our standard production processes. Force majeure, strikes, operational interruptions and the like, which result in inability on our part that we are not responsible for or in the event of late delivery from our suppliers, shall result in the extension of the delivery times for the duration of the hindrance.
- b) The effective time frame for any delivery time quoted by us shall be contingent upon the clarification of all technical issues.
- c) The compliance with delivery obligations on our part shall furthermore be contingent upon the timely and proper fulfillment of any obligations or duties of the Buyer. This shall be subject to the objection of non-fulfillment of contractual obligations. In particular, we shall have the right to withhold shipments if the Buyer is in default of payment for an earlier delivery and we shall not be liable for compensation of any damages incurred as a result of such action.
- d) In the event that the Buyer should be in default of acceptance or if Buyer should culpably breach any other participation obligations, we shall have the right to demand reimbursement for any damages we have incurred as a result, including any added expenses. This shall be without prejudice to any further claims we may have.
- e) In the event that any of the prerequisites cited in Section (d) should have occurred, the risk for accidental loss or accidental decline of the purchase object shall transfer to the Buyer at the time the latter has defaulted on acceptance or payment of a debt.
- f) In the event that the Buyer should refuse acceptance of goods, which we are also installing or for which we are supposed to render any other works, without justification, the works shall be deemed accepted at the time such an unjustified refusal of acceptance is announced.
- g) We shall assume liability as required by law, provided the purchase agreement the claim is based upon is a fixed transaction pursuant to § 286 Section 2 No. 4 BGB or § 376 HGB. We shall also accept liability in compliance with the statutory requirements if the Buyer, because of a late delivery we are responsible for, has a right to claim that Buyer's interest in the continued fulfillment of the contract should have been voided.

- h) We shall furthermore accept liability in compliance with the statutory provisions if the late delivery is the result of an intentional or grossly negligent breach of contract we are responsible for or if same was caused by a representative or agent of our company, which shall be deemed our liability also. In the event that the delayed delivery should not be based on an intentional breach of contract we are responsible for, our liability for damages shall be limited to the foreseeable, typically incurred damages.
- i) We shall also accept liability in compliance with the statutory provisions if the delay in delivery we are responsible for is based on the culpable breach of a cardinal contractual duty. Cardinal shall be any obligation whose fulfillment makes the proper performance of the contract even possible and which our contracting partner may expect us to

meet at all times. In the event that we should be held liable for such breaches of duty, our liability for damages shall be limited to the foreseeable damages typically incurred in such cases.

- j) Incidentally, in the event of late delivery, we shall assume liability at our discretion for each completed week of delay only within the scope of lump sum late payment reimbursements in an amount of 0.5 % of the value of the goods delivered not to exceed a maximum of 5 % of the goods delivery.

7. Title Retention

- a) Until full payment has been made for all receivables we are entitled to from our business relationship with the Buyer, all delivered goods shall remain our property and this shall also include receivables that are subject to conditions.
- b) In the event that the Buyer should be in breach of contract, in particular if the Buyer is in default of payment, we shall have the option to seize the purchased object. The seizure of the purchased object by us shall not constitute our rescission from the contract unless we have expressly terminated the contract in writing. The attachment of the purchased object by us always occurs with the inherent rescission from the contract. Upon seizure of the purchased object we shall be authorized to liquidate same and the liquidation earnings shall be set off against the receivables owed by the Buyer minus reasonable liquidation costs.
- c) The Buyer shall be authorized to sell our title retention goods to Buyer's customers within the scope of regular business activities; however, Buyer herewith assigns to us all receivables generated with Buyer's customers or third parties up to the amount of our final invoice amount (including VAT), regardless of whether our title retention goods have been sold in their original condition or after further processing. In the event that the receivables of the Buyer from the sale of the title retention goods should be included in a revolving credit line account, the Buyer herewith also assigns Buyer's receivables from said revolving credit line account owed by Buyer's customers to us. This assignment shall be made in the amount we have charged to the Buyer for the title retention goods sold to others by the Buyer.
- d) Unless revoked, the Buyer shall retain the authority to collect the assigned receivables even after the assignment; and this shall be without prejudice to our authority to collect said receivables directly. However, we shall undertake not to collect said assigned receivables as long as the Buyer meets Buyer's payment obligations, is not in default of payment and in particular has not filed an application for initiation of insolvency proceedings or has ceased making payments. However, if any of the aforementioned situations should arise, the Buyer shall be required to provide us with information on third party debtors for the purpose of collection and to notify same of the assignment. The Buyer shall also provide us with all further information, present documentation and transfer pertinent bank drafts. Moreover, the Buyer shall be required to grant us access to any title retention goods that are still in Buyer's possession and to send us an exact statement as to the goods on hand as well as to separate these goods from other merchandise and to release same to us.
- e) The Buyer shall not be authorized to make any other dispositions over the title retention goods. Consequently, Buyer shall be prohibited from pledging, mortgaging or providing same as collateral.
- f) In the event that the Buyer should process or convert the title retention goods in any way, such work shall always be performed on our behalf. In the event of processing, combining or blending the title retention goods with other products that we do not own, we shall be entitled to the resulting co-ownership of the new object in a value equivalent to the value of the title retention goods (final invoice amount including VAT), creating a percentage of the share of the other processed, combined or blended objects at the time of processing, combination or blending. Incidentally, the object created as a result of processing, combination or blending shall be subject to the same conditions as the purchase object delivered subject to title retention. In the event that blending should occur in such a manner that the object of the Buyer must be considered the core object, it shall be deemed agreed upon that the Buyer shall assign to us a percentage of the title. The Buyer shall have custody of our thus created sole property or shared property and shall store same on our behalf.
- g) In the event that our title retention goods should become a considerable component of real estate property, the Buyer shall assign to us as collateral the receivable that is created as a result of the combination of the title retention goods with the real estate property and owed by a third party.

- h) We shall undertake to release the collateral we are entitled to pursuant to the above conditions to the extent that the fair value we can obtain for the collateral we have been provided exceeds the receivables owed to us by the Buyer that it is used as collateral for by more than 10 %. We shall select the collateral to be released under this provision at our discretion.

- i) The Buyer shall be required to notify us of any attachments or other third party access to the title retention goods or receivables assigned to us immediately and in writing and shall support us in every way possible in our efforts to intervene. The costs of such efforts shall be borne by the Buyer. In the event that the third party should not be in a position to reimburse the court costs and out of court costs to us, the Buyer shall be liable for the losses we have incurred.

8. Warranty and Scope of Liability

- a) Warranty entitlements of the Buyer shall be contingent upon the Buyer having properly met the investigation and claim obligations set forth in §§ 377, 378 HGB.
- b) In the event that a deficiency we are responsible for should have occurred, we shall have the right, at our discretion, to perform remedial action by eliminating the deficiency or to deliver a new object that is free of deficiencies.
- c) In the event that the performance of remedial action should fail, the Buyer shall, at Buyer's discretion, have the right to demand rescission or reduction.
- d) We shall assume liability pursuant to the statutory provisions provided the Buyer makes claims for damage compensation based on acts of intent or gross neglect, including acts of intent or gross neglect committed by our representatives or agents. In the event that we are not being accused of intentional breach of contract, our liability for damages shall be limited to the foreseeable damages that typically occur.
- e) We shall also accept liability in compliance with the statutory provisions if the delay in delivery we are responsible for is based on the culpable breach of a cardinal contractual duty. Cardinal shall be any obligation whose fulfillment makes the proper performance of the contract even possible and which our contracting partner may expect us to meet at all times. In the event that we should be held liable for such breaches of duty, our liability for damages shall be limited to the foreseeable damages typically incurred in such cases.
- f) This shall be without prejudice to our liability based on culpable acts resulting in the loss of life, personal injury or health damages as well as mandatory liability pursuant to the Product Liability Act.
- g) All other cases of liability assumption shall be excluded regardless of legal nature of the claim raised. Consequently, claims for damage compensation based on culpable acts upon execution of the contract, based on other breaches of duty, based on crimes resulting in entitlements to compensation for material damages pursuant to § 823 BGB or claims of the Buyer for compensation of expenses incurred in vain pursuant to § 284 BGB. Moreover, we shall not assume liability for damages that have not occurred on the delivered object as such. We shall furthermore not assume any liability for damages resulting solely from errors of the Buyer, such as improper installation, faulty operation and handling, natural wear and tear or failure to maintain the product. With regard to the maintenance work the objects delivered by us require at regular intervals, please refer to our applicable printed materials – technical documentation, price lists, maintenance and service instructions, which are made available to every customer.
- h) In the event that we have excluded or limited our liability for damages, such exclusions or limitations shall also apply to our employees, workforce, staff, representatives and agents.
 - i) The statute of limitations for deficiency claims shall be 12 months starting with the date of risk transfer.
 - j) This shall be without prejudice to cases delivery subrogation pursuant to §§ 478, 479 BGB, which shall be subject to a statute of limitations of five years starting with the date of delivery of the deficient object.
 - k) In the event that claims are raised that are not covered by our warranty obligations, the costs incurred at our end shall be borne by the Buyer.
 - l) The Buyer shall be prohibited from assigning any receivables owed to the Buyer by us to any third parties.

9. Company Logo/Re-Sale

- a) We have the right to place our company logo on all of our products.
- b) Any processing and/or alteration of our products or special stamping by the Buyer that could be identified as the Buyer's source information or that creates the impression that such products are special products of the Buyer and that has not been approved by us in advance shall be prohibited.
- c) As far as the distribution of our goods is concerned, the Buyer shall undertake to refrain from any activities that could be considered unfair or illegal within the scope of applicable laws and provisions.
- d) Any re-sale of the goods for direct or indirect shipment to countries outside of the EU shall be prohibited unless we have given our written advance consent to such sales in exceptional cases.

- e) We shall assume liability for the fact that the sold objects as such are not encumbered by any third party intellectual property rights within the territory of the Federal Republic of Germany. In the event that third parties should file justified claims based on intellectual property rights, we shall, at our discretion and expense, either obtain a license for the Buyer or replace the sold object with an object that is not encumbered by third party intellectual property rights or we shall accept its return against reimbursement of the purchase price. All other claims against us shall be excluded.

10. Place of Fulfillment – Place of Jurisdiction – Miscellaneous

- a) The business relationship shall be governed solely by German law, including business transactions that may involve foreign contracts; the application of the UN Convention on the International Sale of Goods (CISG) shall be excluded.
- b) In the event that the Buyer is a commercial agent, legal entity of public law of public law based special entity, the place of jurisdiction shall be the court competent at our business domicile; however, we shall have the option to file suit against the Buyer also at the court at the Buyer's residence.
- c) Unless otherwise stipulated in the order confirmation, our business domicile shall be the place of fulfillment.
 - d) In the event that individual clauses of these Terms and Conditions should be rendered ineffective, this shall not affect the effectiveness of the remaining provisions.

Status: January 2011