

General terms of delivery and payment

1) Quotations are without obligation

Documents such as illustrations, drawings, information concerning dimensions and weight pertaining to quotations are, unless explicitly stated as binding, only approximate.

We retain ownership and intellectual property rights to drawings, cost estimates and other quotation documentation. These may not be made available to third parties without our written permission. If our customers describe plans as confidential, we commit ourselves not to make them available to third parties without prior permission.

The client undertakes sole responsibility for material such as drawings, gauges, prototypes, models or similar supplied by him and required for production. Furthermore, the client assumes liability that the execution drawings do not encroach on the industrial property rights of third parties. We have no obligation to the client to check whether quotations based on execution drawings submitted by the client encroach on industrial property rights of third parties. If a liability to us does result, then the client is obliged to pay compensation.

Notwithstanding our other rights, we have the right to withdraw from the contract in the event of obvious typing errors or miscalculations in a quotation or the written confirmation of order. In this case compensation claims from the customer are excluded.

2) Scope of delivery

Our written confirmation of order defines the scope of delivery. Modifications and additional agreements require our written confirmation.

We deliver protection devices in so far as this is legally required or specifically agreed upon.

3) Price and payment

If no other provisions are made, then the prices are in Euro EXW Lorch (Incoterms 2000) excluding packaging. For domestic business the current value added tax is added on. Payment is to be made free our point of payment. Terms for payment of spares and accessories: within 10 days of date of invoice minus 2% cash discount or within 30 days net. Services are due immediately without discount. Payment for all other appliances and special equipment: 1/3 upon confirmation of order, 1/3 upon notification of readiness for shipment, 1/3 30 days after date of delivery (bill of lading), unless otherwise individually agreed upon. In the event of late payments, the supplier is authorized to charge default interest at the rate of 4% above the current basic interest rate. Retention of payments or charging against any counterclaims not acknowledged by us is not authorized.

4) Delivery time

The time for delivery begins with dispatch of the confirmation of order, however, not before the client has supplied any necessary documents, approvals, authorizations and not before the initial payment has been received. The delivery time is considered complied with when the client has been notified of readiness for shipment before it elapses. The delivery time is extended in the event of industrial disputes, strikes, lockouts and also in the case of occurrences outside of our influence such as force of nature, interruption of business, production of rejects, delays in the delivery of important raw materials and components, in so far as such hindrances have a considerable influence on completion or shipment of the delivery item. The same applies for such occurrences at sub suppliers.

We have no influence on the above-mentioned circumstances even if they occur while delivery is already delayed. If such impediments are significant, we will inform the client of commencement and termination.

If shipment is delayed due to the wishes of the client, we are authorized to charge him storage costs beginning one month after notification of readiness for shipment at minimum 0.5% of the invoice sum for each month commenced. We are authorized to dispose of the ordered goods as we think fit after appointing a date for delivery and this date has elapsed. We are also authorized to ship to the client with a suitably extended delivery time. Compliance with the delivery time requires that the client fulfil its contractual obligations.

5) Transfer of risk and acceptance

The risk is transferred to the client at the latest with despatch of the goods and also in cases of partial deliveries or when we supply other services e.g. shipment costs, delivery and assembly. If shipment is delayed due to fault of the client, then the risk is transferred to the client from the day of readiness for shipment. However, we are obliged to take out insurance at the client's cost if this is desired.

Irrespective of the provisions of section 7, delivered goods are to be accepted by the client even if they have slight shortcomings. Partial deliveries are authorized. If the client so desires we will take out insurance for theft, breakage, transport, fire and water damage and other insurable risks at his cost.

6) Retention of title

We reserve property rights on this delivered goods until payment has been made in full. We are authorized to insure the delivered goods at the cost of the client against theft, breakage, fire, water and other damage if the client has not already specifically taken out such an insurance policy. The client may not mortgage or transfer the delivered goods. If the goods are garnished, confiscated or otherwise commandeered by third parties then the client must notify us immediately. In the event of the client behaving contrary to contract we are authorized to redeem the goods after a suitable warning and the client is obliged to hand over the goods. The assertion of retention of title as well as the garnishment of the delivered goods does not count as withdrawal from the contract if the law of repayment does not apply.

7) Liability for damaged deliveries

We are liable as follows for deficiencies in the delivery (to include warranted characteristics) excluding further claims:

All parts that become unusable within 6 months after delivery due to a circumstance occurring before transfer of risk, especially those due to faulty workmanship, will be replaced free of charge by us or repaired or alternatives will be delivered. If such a deficiency is determined, we must be notified in writing immediately. We are to be notified of the date of commissioning of a delivered installation by requisition of a service technician for commissioning or, if we do not supply a service technician, by notification in writing without delay. We are not liable for deficiencies in material supplied to us by the client if such faults are not ordinarily recognizable with careful examination. We are liable for essential third-party products only to the extent of cession of the liability claim to the product supplier. If shipment is delayed and we are not at fault, then liability ceases 6 months after transfer of risk at the latest. In the case of production according to drawings from the client we are only liable for execution according to the drawing.

Deviations of the goods from illustrations, drawings, weight information and other technical or other data/information in our quotation is not considered a fault if the deviations only slightly reduce the value and suitability of the delivered goods. We undertake no guarantee warranty for damage caused by the following:

Inappropriate or improper use, faulty assembly, commissioning by the client or a third party, natural wear, faulty or careless handling, unsuitable equipment, chemical, electrochemical or electrical influences if they are not caused by us. The client must allow us the necessary time and opportunity to execute any corrections or replacement deliveries as we think fit; otherwise we are freed from liability for defects. The client is authorized to correct the defaults himself or to employ a third party to do this solely in cases of danger to the plant safety and in order to avoid greater damage, or if we are behind with correction of the defects. In this case we are to be notified immediately. The client can claim the

costs caused by presenting the appropriate receipts.

The direct costs caused by correction or replacement delivery will be borne by us in so far as the complaint is legitimate. In all other cases the client bears the costs.

The warranty obligation elapses 3 months after date of delivery for replacements and additional delivery or compensation delivery. However, it runs in all cases up to the termination of the original guarantee obligation for the total delivery. If, however, the delivery item is modified or maintained incorrectly by the client or a third party without prior permission from us then we are freed from liability for subsequent damage resulting from this.

Further claims of the client, especially claims for compensation for damage that was not caused on the delivery item are excluded in so far as this is legally permissible.

8) Liability and secondary obligations

If the client cannot use the delivered goods for the stated purpose and we are at fault, e.g. due to failed or faulty execution of proposals, recommendations or other contractual additional agreements, especially instructions for operation and maintenance of the delivered goods, then provisions of sections 7 and 9 apply accordingly to the exclusion of further claims of the client.

9) Right of the client to withdraw from the contract

The client can withdraw from the contract if it is definitely impossible for us to deliver performance before transfer of risk. The same applies if we are incapacitated. The client can also withdraw from the contract if the order was for homogenous items and one of the items cannot be delivered and he has a legitimate reason to refuse partial delivery. If this is not the case, then the client can reduce the payment accordingly. If we are in default of performance as per section 4 of the terms of delivery then the client must allow us a suitable extension of time stating specifically that he will refuse acceptance of the performance after this extension has terminated. The client is authorized to withdraw from the contract if the extensions of time are not adhered to.

If the impossibility occurs during the delay in acceptance or due to fault of the client, then the client is still obliged to make payment.

Furthermore, the client has the right of withdrawal if we set an extension of time for correction or replacement delivery regarding a fault that is within our jurisdiction according to the terms of delivery and we are at fault that this elapses without success. The client also has the right of withdrawal in the event of impossibility or incapability of correction or replacement delivery by us.

All further claims of the client are excluded as far as legally permissible, especially the claims for annulment, cancellation or reduction as well as compensation of any kind and also for such damage not occurring on the delivered goods themselves.



10) **Right of the supplier to withdraw from the contract**

In the event of unforeseen occurrences in the sense of section 4 of the terms of delivery and if these considerably change the economic importance or the contents of the delivery, have considerable influence on our company, or in the case that execution of the delivery subsequently becomes impossible, the contract will be modified accordingly. If this is not economically viable, then we have the right to withdraw completely or partially from the contract.

The client has no right to claim for compensation due to such a withdrawal. If we decide to withdraw from the contract we will inform the client immediately after we recognize the scope of the occurrence. We will also notify the client even if we have first agreed upon an extension of the delivery time.

11) **Court of jurisdiction**

Suit must be filed at the court responsible for the headquarters of our company for any disputes arising out of the contractual agreement. We are authorized to file suit at the headquarters of the client.