

- **General provisions**

- Only these Standard Terms and Conditions of Business and any contractually separate agreements apply to the extent of supply and scope of services (hereinafter referred to as 'deliveries'). Other General Standard Terms and Conditions of Business - especially the buyer's conditions of purchase too - are excluded from the agreement, even if the supplier has not contradicted them expressly.
- The supply and services agreement will only materialize by means of the supplier's acceptance of order in writing.
- Verbally made ancillary agreements, contractual modifications or contractual supplements require the supplier's written confirmation in order for them to become effective.
- The supplier unrestrictedly reserves his utilization rights of ownership and copyright to cost estimates, drawings and other documents, even in electronic form. They are strictly confidential and must not be made accessible to third parties. The same provision also applies to the supplier's business secrets. It correspondingly applies to the customer's documents; however, these can be made accessible to third parties with whom the supplier has assigned deliveries permissibly.

- **Prices and terms of payment**

- A binding price-setting will only take place by means of the supplier's acceptance of order in writing and subject to the reservation that the underlying order data remains unchanged. Changes to the object of the agreement that are subsequently made by the customer, can be charged additionally.
- The prices are net ex-works as far as nothing is otherwise agreed but they exclude the costs of packaging, transport and insurance as well as the costs of unloading, setting-up and commissioning the delivery item; plus the statutory value-added tax that is respectively applicable.
- Payments must be made without any deduction to the

supplier's paying office, if nothing else has been agreed in writing: namely,

- 40% with placement of the order,
 - 50% with notification of readiness to deliver,
 - 10% with commissioning - by 30 days at the latest after delivery.
- The customer is only entitled to the right of withholding payments or charging them to counterclaims insofar as they are undisputed or have been established as legally binding. The customer is only entitled to exercise a right of retention insofar as his counterclaim is based on the same contractual relationship.
 - The supplier is entitled to charge interest on arrears amounting to 8% p.a. above the European Central Bank's basic rate of interest, if the due dates for payment are not met. The right is reserved to assert a higher claim for damages resulting from arrears.

◦ **Delivery, period of delivery and delivery quantity**

- The period of delivery results from the individual, contractual agreement.
- Compliance with the period of delivery requires:
 - the clarification of all commercial and technical matters between the contractual parties,
 - the timely receipt of all documents, requisite approvals, certificates and clearances from the customer; especially plans,
 - the timely receipt of the agreed prepayment,
 - a correct and timely supply by means of subcontractors.
- If these duties are not fulfilled on time, then the period of delivery shall be reasonably extended; this provision will not apply if the supplier is responsible for the delay. The supplier will inform the customer about an imminent delay.
- The set period of delivery will have been complied with when the readiness to despatch has been notified, or at the latest when the delivery item has left the supplier's factory.
- If non-compliance with the period of delivery is caused by force majeure, e.g., war, civil unrest or similar events like a strike, lockout, etc., then

the period of delivery shall be reasonably extended. The supplier will inform the customer about such circumstances.

- The customer has to guarantee a reasonable period of grace amounting to at least 3 months, if the period of delivery is exceeded.
- The supplier is entitled to make partial deliveries insofar as they are reasonable for the customer.
- If the despatch or acceptance of the delivery item is delayed at the customer's request, then he shall be charged with the costs that arose from the delay: beginning one month after the readiness to despatch was notified.

◦ **Passing of risk and acceptance of deliveries**

- The risk passes to the customer when the delivery item has left the supplier's factory, even in the case of a delivery that is freight prepaid; namely, when partial deliveries take place or when the supplier has undertaken still further components of the service, like setting-up for example.
- If the despatch is delayed as a result of circumstances that are the customer's responsibility, then the risk shall pass to the customer when the readiness to despatch is notified.
- Deliveries will be insured by the supplier against normal transport risks, at the customer's request and cost.
- The customer must not refuse the acceptance of deliveries because of insignificant defects.

◦ **Reservation of ownership**

- The delivered goods shall remain the supplier's property until all of the debt claims against the customer that existed on the invoicing date have been paid in full.
- The supplier is entitled to insure - at the customer's cost - the delivered goods against theft and damage resulting from breakage, fire, water or other factors; as far as the customer has not verifiably arranged a policy for the insurance himself.
- The customer must neither mortgage the delivered

goods nor assign them as security, while the reservation of ownership exists.

- The customer has to immediately notify the supplier in writing about any mortgages, confiscation or other dispositions, or encroachments by third parties.
- In the event that the customer infringes the agreement - especially by falling into arrears with payments - the supplier is entitled to withdraw from the concluded agreement and to recover the delivered goods after a reasonable time limit that was set for the customer has expired fruitlessly; the customer is then obligated to surrender the goods on demand.
- The application for opening insolvency proceedings entitles the supplier to withdraw from the agreement and demand that the delivery item be returned immediately.
- The customer is entitled to reorganize and resell the delivery item in the proper course of business transactions. If he resells the delivered goods, then he shall assign to the supplier all debt claims amounting to the sum that was invoiced against the purchaser for the delivered goods (including value-added tax) at the moment of the (re)sale. The customer also has to obligate the purchaser to make a payment directly to the supplier, within the scope of the payment duty that arises from the resale.

◦ **Defects claims**

- The supplier shall give a guarantee against established material defects and defects of title, by excluding further claims - subject to section VII (Liability) - as follows.
- The customer has to check the object of the agreement (= delivery item) for defects immediately after its delivery.
- Apparent defects must be immediately notified to the supplier in writing, by giving specific information about the complaint.
- The supplier shall be initially guaranteed the opportunity of rectification (= repair or replacement) within a reasonable period, which must amount to at least 3 months.
- All of those parts or services that have a redhibitory defect within the period of limitation, must be repaired or replaced with new items

according to the supplier's choice as far as these items already existed before the moment when the passage of risk occurred. Replaced parts are the supplier's property.

- The supplier shall bear the costs that immediately arise from replacement or repair as the case may be, including despatch, as the well as the costs for dismantling and fitting.
- The customer will only be entitled to withdraw from the agreement or to assert a claim for compensatory damages, or both, if the duty of fulfilment has failed repeatedly.
- The supplier does not give a guarantee for assured or agreed performance of the delivery item, if it is processed with products other than those on which the quotation was based.
- Defects claims do not arise:
 - when there is only an insignificant divergence from the agreed quality,
 - when there is only an insignificantly adverse effect on usability,
 - when there is natural wear or damage that arises after the passage of risk as a result of unsuitable or improper handling, excessive loading, unsuitable operating materials, defective construction work or unsuitable subsoil; or on account of particular, external influences as far as the supplier is not responsible for them,
 - when there are unreproducible faults in the software.
- If improper repair work or modifications are carried out by the customer or third parties, then no defects claims shall exist for them nor for the consequences that result from them either.
- If the apparent defects are not criticized or if they are not criticized in good time or not according to standard procedure, then the warranty concerning them shall be inapplicable.

◦ **Infringements of duty and liability**

- If the delivery item cannot be used by the customer according to the agreement because of the supplier's fault, as a result of neglected or faulty execution of suggestions or advice that were given before or

after the agreement was made, or by the infringement of other contractually ancillary obligations - especially the instructions for operation and maintenance of the delivery item - then the provisions of section VI and VII.2 shall apply accordingly by excluding the customer's further claims.

- The customer's more far-reaching claims - or those other than the ones that are herewith provided for in VI. and VII. - against the supplier and his subcontractors because of a defect, are excluded insofar as there is no obligatory liability. The supplier is only liable for damages that have not occurred to the delivery item itself - irrespective of any legal grounds whatsoever - in cases of criminal intent and gross negligence as well as when there is culpable injury to life, limb or health. In all cases of the permissible limitation of liability, our liability is limited to the insured sum of one covering insurance policy.

- **Warranty**

The warranty period shall begin with commissioning the system at the customer's premises and it amounts to 12 months in single-shift operation. Wearing parts are excluded, as well as defects that are caused by improper handling of the delivered goods by the customer. The warranty period for the exchanged parts will begin with the recommissioning, if the defects have been remedied by the supplier. Warranty for the line expires when using spare and/or wearing parts other than from the supplier.

- **Technical modifications**

We reserve the right to carry out modifications to the products without prior notice, which solely serve to improve the extent of supply, do not jeopardize the contractual purpose and are reasonable.

- **Use of software**

Insofar as software is included within the extent of supply, the customer is granted a non-exclusive and

nontransferrable right to use the delivered software including its documentation. The customer undertakes not to remove the manufacturer's information - especially copyright notices - or to modify them without the supplier's express consent beforehand. All other rights to the software and documentation including copies remain with the supplier. The customer is prohibited from copying the software or from duplicating it in another way, as well as from making it accessible to third parties, to persons outside his company or to business enterprises, or both.

- **Applicable law, place of fulfilment and jurisdiction (domicilium citandi et executandi)**

- This agreement and the entire legal relationships of the parties are subject to the law of the Federal Republic of Germany by excluding the UN purchase right (CISG).
- Pluederhausen at DE-73665 in Germany is the place of fulfilment and sole jurisdiction for all disputes that arise from this agreement.

- **Salvatorial clause**

- The agreement's remaining parts shall remain binding, even if individual provisions are legally inoperative.
- All declarations which affect the effectiveness of the contractual circumstances, require to made in written form. A modification of the requirement for the written form requires to be made in written form itself.