



## GENERAL TERMS AND CONDITIONS

### 1. Constituent parts of the contract, Conclusion of the contract

For application with regard to a natural or legal person, which act in an independent commercial or professional capacity respectively a legal entity under public law or a special fund under public law (in the following named "Buyer").

1.1 All of our deliveries and performances, including advisory services, are subject to these General Terms and Conditions. The purchasing conditions of the Buyer shall not be included in the contract, unless we would have agreed expressly to their validity in writing and the acceptance of orders shall not imply such inclusion. They also have no effect if we have not objected to them in a particular case.

1.2 Our General Terms and Conditions shall apply also to all future business transactions with the Buyer, if we have handed them to the Buyer and the Buyer accepted their validity.

1.3 Our offers are subject to change without notice, unless explicitly stated otherwise in writing. Purchase orders that change or complement binding offers as well as purchase orders which are made without previous offer are only valid when we have given our written confirmation.

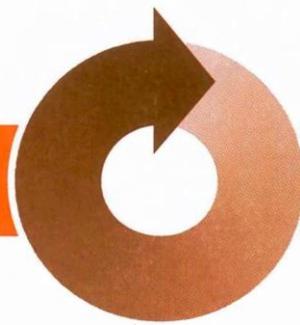
1.4 Basis for execution of the contract form the agreed drawings, samples, descriptions and similar documents.

1.5 Dimensions, weights, illustrations and drawings as well as the data and illustrations mentioned in our brochures and catalogues are only binding, if this is expressly agreed in written.

1.6 Furthermore, the condition of the goods follows solely the agreed technical documents and drawings. If we are to supply goods in accordance with drawings, specifications, samples etc. of the Buyer, the Buyer shall bear the risk of the suitability for the intended purpose. The contractual condition of goods is defined at the point that risk is transferred. In this respect, we shall be liable merely for the proper processing.

1.7 Upon ordering goods the Buyer declares legally binding his intention to acquire the ordered goods. We are entitled to accept the offer to enter into an agreement contained in the order within 2 weeks. Acceptance may be declared either by acknowledgement of the order in written or by delivery of the goods to the Buyer.

1.8 In case of ordering electronically, the contract text shall be stored by us and mailed to the Buyer upon request, via e-mail, in addition to the available General Terms and Conditions.



1.9 If an export license issued by the Federal Office of Economics and Export Control (BAFA) is or becomes necessary, the contract shall be deemed concluded with the approval of the BAFA. We hereby disclaim, penalty and claims for compensation due to delay in delivery caused by the licensing process at BAFA. We reserve the right to withdraw from the contract in case of a subsequent export ban by the BAFA and we are not liable for any claims for damages hereof.

Deliveries and services to Buyers that are included in national or international sanction lists, will not be provided by us.

## **2. Property, Copyright,**

2.1 We reserve our proprietary rights and copyrights on all documents such as quotations, calculations, drawings, specifications, etc. that are surrendered to the Buyer when placing an order and on tools, devices and forming used for execution of the orders.

## **3. Prices**

3.1 All our prices are ex works, plus the statutory rate of value added tax, excluding packaging, freight costs, insurance, customs duties and taxes.

3.2 Costs for any assembly, commissioning, trial operations respectively inspections that may be necessary will be charged additionally, unless specifically agreed otherwise in writing. The charging will be in the amount of the expenses incurred as per in the FAT's "Terms of assembly and service" (always the latest version) indicated prices and hourly rates. FAT's "Terms of assembly and service" can be requested from us in the latest version free of charge.

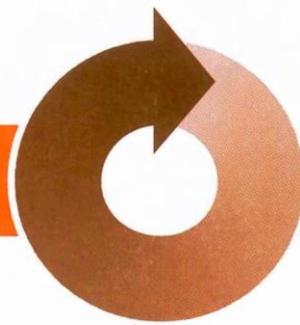
3.3 A prerequisite for the compliance with agreed prices shall be that the positions on which the agreement is based are unchanged and can be performed without any obstructions for which the Customer is responsible. Any subsequent additions or changes which lead to additional costs shall be paid for by the Customer additionally.

## **4. Payment, delay of payment**

4.1 The entire invoice amount is payable immediately. Cash discounts are not granted.

4.2 Agreed payment deadlines shall only be deemed as complied with, if we can dispose of the amount to be paid at the due date.

In case of work performances we are entitled to request partial payments for self-contained partial deliveries.



4.3 Bills of exchange and cheques are accepted only after special agreement. All costs and expenses incurred in connection with the cheques and bills of exchange shall be borne by the Buyer.

4.4 In case of delay in payment we are entitled to claim interest for late payment at a level of 8 percentage points above the current basic interest rate. We reserve the right to give proof of a higher loss and to claim interest at a higher rate. In particular we shall reserve the right to claim such costs we incurred after the event of delayed payment for calling third parties in order to exercise our rights.

4.5 In the event of substantial deterioration in the financial circumstances of the Buyer, we are entitled to provide our goods and services only against advance payment or cash on delivery or to make it subject to a security. Claims for the supply of goods and services performed in this case are due with immediate effect even if respite has been granted. This applies particularly if in the event of delay in payment, despite a reasonable deadline, further payments fail or if an application to begin insolvency is made. If the customer does not comply with our request to furnish a security or prepayment within a reasonable period of time, we shall be entitled to withdraw from the contract.

4.6 Price changes shall be permitted if the period of time between contract conclusion and delivery date agreed is longer than six months (this is also applicable to partial deliveries and partial instalments assigned). If thereafter until completion of the delivery the wages or material costs increase we are entitled to increase the price adequately in accordance with the increase of the costs. The Buyer will only be authorized to rescind if the price increase considerably exceeds the increase of the general costs of living in the period between the order and the delivery.

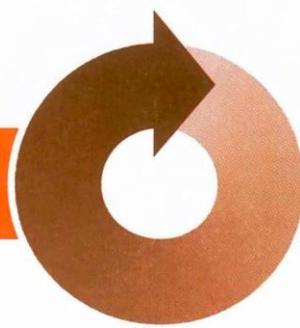
4.7 If the Buyer is a merchant, a legal person under public law or a special fund under public law, price adjustments are permissible on the above terms if more than six weeks have passed between order placement and the agreed delivery date.

## **5. Compensation, right to refuse performance, abandonment**

5.1 The Buyer shall be entitled to refuse performance only in case his counterclaim is based on the same contractual relationship.

5.2 The Buyer is entitled to offset only if its counterclaims have been confirmed by final court judgement or have been recognized by us.

5.3 The Buyer may only assign his claims or have them collected by a third party with our prior written approval, unless they are undisputed claims or claims awarded by final and non-appealable judgement.



## 6. Delivery and service deadlines

6.1 Delivery times are binding only if we have expressly designated them as such and confirmed them in written form. Delivery periods commence upon dispatch of the confirmation of the order, but not before the necessary documents have been provided by the Buyer and not before the agreed payment has been received.

If, at a later stage, errors are detected in the order documents or drawings or it is found that necessary technical information is missing or changes are agreed, then the delivery time begins anew upon rectification of the problems concerned.

6.2 Partial deliveries are permitted within the named delivery periods, as long as it doesn't result in any drawbacks for its use.

6.3 Contracts are concluded under the reservation that we receive correct and punctual deliveries from our suppliers. This only applies to cases in which we are not culpable for the non-delivery, in particular if a congruent coverage transaction is concluded with the supplier.

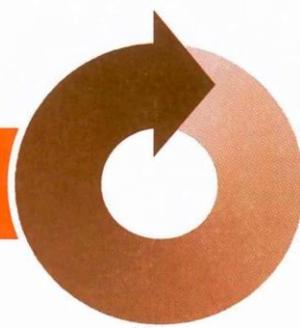
6.4 The delivery deadline or delivery date are deemed to have been met, if on the expiration of such deadline, the delivery items have left our plant or have been notified as ready for shipping. To the extent that an acceptance of the goods has to take place, then – except in cases of justified rejection of the goods – the date of the acceptance procedure is decisive, or alternatively the notification that goods are ready for acceptance.

6.5 If any failure to delivery deadline or delivery date is due to unforeseeable obstructions which are outside our sphere of influence and for which we are not responsible, said delivery deadline or delivery date shall be extended adequately, at least for the duration of the obstruction or interruption. This shall apply, in particular, in cases of force majeure and in the case of strikes, lock-outs or orders of public authorities, even if such circumstances occur to our suppliers or subcontractors, insofar as these circumstances have great influence on the deliveries and performances to be rendered by us. If the obstructions persist for an uninterrupted period of more than eight weeks, each party shall be entitled to withdraw from the contract.

6.6 If we come into default the Buyer has to concede us a reasonable period of grace. Unless said period has expired fruitlessly or it is has been unnecessary for reasons provided by law, the Buyer may not procure replacements nor withdraw from the contract.

## 7. Packaging and shipment / acceptance

7.1 The packaging becomes the property of the Buyer and will be invoiced by us. Packaging and shipping charges are included in the invoice as separate items. We choose the type of shipment to the best of our knowledge.



7.2 Immediately prior to delivery we shall indicate the day of arrival. We will not assume warranty for any time of day for arrival on site indicated by us. If applicable, the Buyer has to provide free of charge back staff and equipment, which type and extent we indicate in due time.

7.3 In the event of transport damages the Buyer shall notify the freight forwarder/carrier and us without culpable delay. The risk of accidental loss or deterioration of the goods passes to the customer upon delivery, in the event of a sale by dispatch, upon the delivery of the goods to the forwarding company, to the carrier or to the person or institution engaged with performing the shipment.

7.4 Delivery is also deemed to be effected if the customer is in delay with acceptance. Insurance against damage to goods in transit will only be effected upon request and at the Buyer's expense.

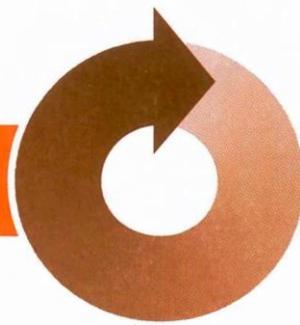
7.5 If the delivered goods or any other services shall be formally accepted, we decide on the time frame and location for the acceptance testing. The costs for acceptance will be borne by our contracting partner. If the Buyer fails to attend acceptance testing, we can set a period of seven days for formal acceptance with the remark that our delivery is deemed to have been accepted if our contract partner fails to attend acceptance testing within the period of seven days. After the 7<sup>th</sup> day our performance shall be deemed to be accepted. Special arrangements require our written confirmation.

## **8. Notice of defect, rights on deficiencies, limitation period**

8.1 The Customer shall, in the ordinary course of business, examine the delivered goods immediately upon delivery and inform us of any found defects immediately. We must be given the opportunity to verify any defects reported. Objectionable goods are to be returned to us upon request. If the Buyer fails to fulfil one of these obligations or without our permission carries out changes to the goods already complained about, the Buyer shall lose all warranty entitlement thereof.

8.2 For notifications of defects which are justified and made in due time, we shall provide at our option post performance in the form of replacement delivery, rectification or remanufacturing. For port performance the Buyer shall allow us a reasonable period of time, as far as such is not legally superfluous. Should we fail to satisfy our obligation to remedy the defect within a reasonable period of time, the Buyer shall be entitled to reduce the price appropriately or, in the case of a severe breach of duty, to withdraw from the contract. If only parts of the delivery are defective, the Customer's further rights shall only relate to the defective part of the delivery unless the partial delivery is of no interest for him.

We shall not be responsible for material defects which result through unsuitable or incorrect use, faulty assembly by the partner or third party, common wear or tear, faulty or negligent handling, nor for the consequences of incorrect changes by the Buyer or third parties or those



carried out without our authorisation. The same shall apply to faults which only slightly reduce the value or the suitability of the goods.

8.3 Additional expenses to satisfy subsequent obligations, in particular, transport, work and material costs, are excluded as far as these costs occur due to a subsequent transportation of the delivered goods to a place other than the agreed place of delivery unless such transportation is in accordance with the designated use of the goods.

8.4 Any other or additional claims of the Buyer due to defects are excluded and only eligible for compensation within the framework of section 9.

The purchaser shall receive no guarantees in the legal sense from us. Manufacturer's guarantees remain unaffected by this.

8.5 The limitation period for material defect claims is 12 months, unless the law prescribes a longer period in §§ 438, Section 1, No. 2 BGB (delivery of items for buildings), 479, Section 1 BGB (recourse claims in the case of a purchase of consumer goods) and 634a, Section 1, No. 2 BGB (building defects). This limitation period also applies in cases of damage to life, body or health, breaches of obligations committed intentionally and fraudulent concealment of defects.

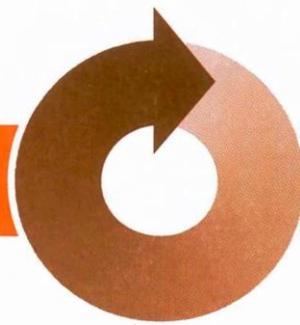
## 9. Liabilities

9.1 In the case of negligent violations of contractual duties, our liability shall be restricted to the foreseeable, contractually typical, and direct typical damage given the nature of the contracted goods. This shall also apply to minor breaches of duty owing to negligence by our statutory representatives or vicarious agents.

9.2 We shall not be liable for slight negligent breach of insignificant contractual duties. In particular any other and further claims of the Buyer towards us are excluded. This particularly applies to claims for compensation arising from infringement of duty from contractual obligations and from tortuous acts. Therefore, we are not liable for damages, which are not caused to the delivered goods themselves. Above all we shall not be liable for lost profit or other pecuniary damages of the Buyer.

9.3 The aforementioned liability limitations are not applicable to demands of the Buyer regarding product liability. Furthermore, the limitations of liability shall not apply in case of unattributable bodily or health damages or in case of the Buyer's loss of life.

9.4 Claims for indemnity due to defects are limited to one year from date of dispatch of the purchased goods. This shall not apply if we can be accused of malice.



## 10. Reservation of proprietary rights

We retain title to any products delivered by us until complete settlement of any claims arising out of a current business relationship irrespective of the cause in law. Where a current account is maintained with the Buyer, this retention of title shall secure our relevant claim of the current balance at any time. This also applies if the Buyer has made payments on certain claims.

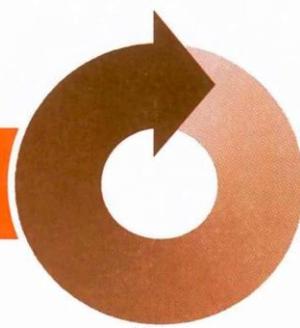
10.1 The Buyer shall be obligated to treat the goods delivered with due care. Should maintenance and inspection work be necessary, the customer must perform such work in good time, regularly and at his own expense.

10.2 The processing or alteration of the reserved goods shall always be made for us as the manufacturer without any obligations resulting for us thereof. If the reserved goods are processed and transformed with other goods not delivered by us, we shall be entitled to co-ownership of the new item in relation of the value of the reserved goods to the value of the other processed or transformed items at the time of processing or transforming.

In case our title of the reserved goods expires due to combining or blending, the Buyer hereby already assigns to us his co-ownership to the new items or blended stock in the amount of the invoice value of the reserved goods and shall hold it in safe custody for us free of charge. The new item (named as "new item" in the following), created by processing, transforming, combining or blending, or the co-ownership of the new item being entitled or assigned to us according to subsection 2 of this section respectively, serves to secure our claim in the same way as the reserved goods according to subsection 1 themselves. Unless nothing divergent arises from the following provisions regarding these subsections, this securing of claims is to be applied accordingly to the new item.

10.3 The Buyer may only sell the reserved goods in the ordinary course of business and at standard business terms and conditions and only if he fulfils his obligation to pay us timely. The Buyer is obliged on his part to further sell the reserved goods subject to reservation of title only and to ensure that the claims arising from such sales transactions maybe transferred to us.

10.4 The Buyer's claims arising from sales transactions of the reserved goods are hereby assigned to us. We accept the assignment. The claims shall serve as security for us to the same extent as the reserved goods. If the Buyer sells the reserved goods together with other goods that were delivered by other parties, the assignment of the account receivable extends only to the pro-rata amount of invoice that represents the reserved goods resold. In the case of a sale of the goods as per subsection 2 or in accordance with the legal regulations concerning the combining/blending of the item we have co-ownership in, the assignment of the claim applies up to the value of our co-ownership proportion.



10.5 If the Buyer includes accounts receivables from reserved goods resold in a mercantile current account relationship that he maintains with his sold-to party, then the Buyer assigns the account balance or final balance to us in an amount equal to the total accounts receivable that represent the resold reserved goods included in the current account relationship. The previous section insofar is used accordingly.

10.6 The Buyer is entitled to retract the claim arising from the further sale of the reserved goods that had been assigned to us. He is not entitled, however, to assign the claim arising from the further sale, not even in the context of a genuine factoring contract.

10.7 We are entitled to cancel the collection authorisation at any time for default in payment, suspension of payment, transfer of the Buyer's business operations to a third party, or if the credit worthiness and confidence in the Buyer is adversely affected or the Buyer's company is dissolved or for a breach of contract on the part of the Buyer under No. 3 of this paragraph. In this case the Buyer is obliged to immediately inform his Buyers of the assignment of the claim as well as to hand over to us any documents, certificates and information necessary to justify and implement the claim. Furthermore, in this case, the Buyer shall be obliged to return to us or assign to us any security to which the Buyer is entitled for its end customer payment claims.

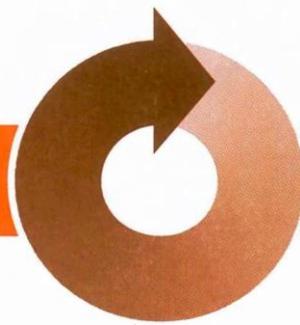
10.8 If the realizable value of the securities at our disposal exceeds our secured claims by more than 10 %, we are prepared, upon request by the Buyer, to release securities, chosen by us, to this extent.

10.9 The Buyer shall inform us without undue delay of any seizing or other legal or physical impairment or endangering of the reserved goods or any other security right provided to us. The Buyer pledges to sufficiently insure the reserved goods against fire and theft. The Buyer hereby assigns to us in advance its claims from insurance contracts.

10.10 If the Buyer breaches the contract, particularly in the event of payment default or infringement of one of the obligations under paragraphs 2 and 3 of this section, we have the right to cancel the contract and require return of the goods at the Buyer's expense. For this case, the Buyer already now agrees to our removing or having removed the reserved goods being with the Buyer or - in the case of us being the sole owners - the new item as per subsection 2 of this section, respectively. For the purpose of undertaking these measures as well as for the purpose generally inspecting the reserved goods, the Buyer shall grant us, or persons authorized by us, access to his premises at any time.

## **11. Provision of materials / provided personnel**

11.1 Models, raw materials and other objects to be reused as well as semi-finished and finished products of the Buyer are kept after previous agreement and against special compensation only. Our liability for these is set out in section 11.



11.2 Raw materials, components, semi-finished products, tool equipment or other parts provided by the Buyer shall only be pre-examined by us, if this has been expressly agreed between the Buyer and us and the bearing of costs has been regulated.

11.3 In the event of unusability of provided materials due to material defects or other circumstances that we are not responsible for, the Buyer cannot derive any claims from this against us. The Buyer shall replace the corresponding parts free of charge and free of carriage costs as well as take back the defect materials free of charge and free of carriage costs.

11.4 In case of material defects or other defects as per paragraph 11.3 any agreed delivery dates shall be postponed by the time period, which in ordinary course of business is necessary to remedy the defects.

11.5 In cases in which the Buyer provides personnel for execution of purchase orders ordered from us, the Buyer shall be liable for the number of personnel being sufficient and having adequately qualification and abilities as required. The provided personnel shall work in accordance with the order of our named personnel; however, the provided personnel shall remain within the Buyer's employment relationship and responsibility. Where necessary the Buyer shall provide appropriate interpreters. Provided personnel without necessary professional competence, can be rejected by us and shall at the Buyer's expense be substituted by other suitable personnel with the necessary professional competence. If the Buyer fails to meet its obligations as per this section sufficiently or in due time, after previous unsuccessful reminder we shall be entitled either to provide or to have rendered by third parties the required performances on the Buyer's expense. In the event of the postponement of the delivery due to the Buyer's omissions mentioned above, all agreed delivery deadlines shall be extended; further costs shall be borne by the Buyer.

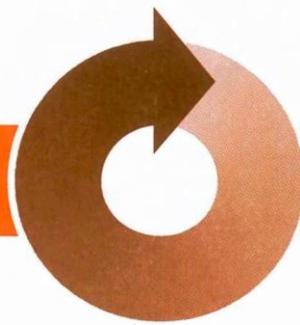
## 12. Property rights of third parties

In the event that we are obligated to deliver the item according to the Buyer's specifications (drawings, samples, models, ...) or using parts supplied by the Buyer, the Buyer shall advocate for proprietary rights of third parties are not infringed upon.

Insofar as third parties claim infringement of property rights, the Buyer shall indemnify us upon the initial request against any claims and compensate us for any damages incurred as a result of the claim. We shall not be obligated to deliver, if a third party prohibits the production or delivery with reference to its alleged property right.

The defence of such claims shall be incumbent only upon the Buyer. We shall not be obligated to do so.

We shall not be liable for any damages to or loss of the Buyer's provided parts, drawings, samples, tools or similar. Insofar as the Buyer wants an insurance for the parts provided by the Buyer, we shall only take out an insurance for these parts upon the Buyer's express



written request and at the Buyer's expenses.

In the event that means of production for execution of work are produced by us, these shall remain our property, - irrespective of the payment or partial payment by the Buyer - unless other regulations have been expressly agreed in written.

### **13. Confirmation of Arrival**

If a Buyer who is residing outside the Federal Republic of Germany (foreign Buyer) or his representative is either collecting the delivery item or transporting or shipping it abroad, the Buyer shall provide us with the confirmation of arrival required for tax purposes.

As long as this Confirmation of Arrival has not been provided by the Buyer, the Buyer shall be in debt of the turnover tax on the invoice amount in accordance with the current level of tax for deliveries within the Federal Republic of Germany.

### **14. Place of fulfilment, place of jurisdiction, applicable law**

The law of the Federal Republic of Germany shall apply. The terms of the UN Sales Convention do not apply. For all disputes arising under the contract, if the Buyer is a registered merchant in terms of mercantile law, a legal entity of public law or special fund under public law, 57072 Siegen, Germany shall be the solely place of jurisdiction for all disputes arising from the contractual relationship. We shall also be entitled to file suit at the headquarters of the customer. This shall also apply if the Buyer has no general court of jurisdiction in Germany, or if a permanent / habitual place of residence is unknown at the time the claim is raised.

Place of fulfilment is 57572 Niederfischbach

If individual provisions of the contract with the Buyer including these General Terms and Conditions should be or become partly or wholly legally invalid, the validity of the remaining provisions will not be affected hereby. The wholly or partially invalid provision shall then be replaced by a provision whose economic purpose comes as close as possible to that of the invalid provision. Any transfers of rights and obligations of the Buyer arising from the contract concluded with us require our written consent in order to become effective.

If these General Terms and Conditions are used in other languages than German, they shall be used only for information purposes; in case of doubt, the German version shall apply.