

General/Scope

These "standard terms and conditions for the supply of goods and services" are valid for all present and - include all future deliveries and services by our company inclusive of accessories as well as for suggestions, consultations and other supplementary deliveries. Our sales and delivery terms are exclusively valid. Deviations by the customer from our "standard terms and conditions for the supply of goods and services" are invalid.

I. Quotation

Documents belonging to the quotation for example: illustrations, drawings, weights and measurements details are only roughly approximate, providing they are not described as mandatory. When a cost estimate is submitted, any drawings or other documents and copyrights remain the property of the supplying party; they may not be made freely available to a third party. The supplier is obliged not to make items described as confidential by the customer, accessible to third parties without the consent of the owner.

II. Scope of the delivery and services

The scope of the delivery is strictly determined by the supplier's written confirmation order, or by the original quotation in the case when "time is of the essence." Additional agreements and or changes may only be taken into consideration if the supplier subsequently agrees.

III. Price and payment

1. All prices are, in the absence of a special agreement to the contrary to be understood as: exworks and includes loading at the suppliers works but excludes packing. Value added tax to the respective legal amount is in addition to the quoted price.

2. Without a special agreement to the contrary, payments are to be made net, without discount and to the payment agency of the supplier by:

30% Deposit on receipt of the confirmation order,

30% As soon as the customer is informed that the main parts are assembled,

30% after acceptance test at Keller Feinwerktechnik

10% after final test, latest 4 weeks after delivery

3. Withholding payment, or the partial withholding of payment, due to eventual counter-claims of the customer and disputed by the supplier are not permitted.

IV. Delivery times

1. The delivery period commences with the dispatch of the confirmation order, but not before the delivery to the customer of relevant documentation, approvals, releases and not before receipt of the agreed deposit.

2. The delivery time is deemed met if the goods delivered have left the works in the agreed time, or the dispatch readiness person or department is informed.

3. In the case of force majeure, i.e. in the context of industrial action, particularly strike and shutout, as well as at the admission of unforeseen obstacles, which are outside the control of the supplier and of considerable influence; as far as such obstacles are provable at the completion, or delivery of the delivered goods, the delivery period may be adequately prolonged. This is also valid if such circumstances occur with subcontractors. The aforementioned circumstances do not have to be notified by the supplier if they arise during a known delay already occurring. The supplier is obliged to inform the customer at the beginning and end of such obstacles in important cases as soon as possible.

4. Damages are deemed to be caused to the customer should a delay arise due to the fault of the supplier and the customer is permitted under the exclusion of further claims to demand delay compensation. Delay compensation is limited to 0.5 pc per full week of the delay and to a maximum of 5 pc of the value of the total delivery that cannot be used as stipulated in the contract.

5. Should the delivery period be extended at the wish of the customer, the customer will be charged the costs arising from such storage one month after receiving a dispatch readiness notice:

for storage at the supplier's facilities a minimum of 0.5 pc of the invoice amount for every full month. The supplier is however, authorised after reasonable time and with due notice to dispose of the goods elsewhere and to provide the customer with an adequate extended delivery time.

6. Compliance with the delivery times implies the fulfilment of the customer's contractual requirements.

V. Transition risk and receipt

1. The transition risk changes ownership from the supplier to the customer at the latest with the dispatch of the delivered goods, particularly if partial deliveries are executed, or the supplier has further obligations e.g. consignment costs, transportation or installation. At the customer's request, the

shipment will be insured against theft, breakages, transportation, fire and water damage as well as other foreseeable risks at the customer's expense.

2. Should a delay occur from the day of dispatch readiness, due to the customer's circumstances, the risk is transferred to the customer; however, the supplier is obliged, at the request and cost of the customer to provide adequate insurance.

3. Delivered goods have to be accepted by the customer, without affecting any rights under the provisions of section VII, even if they show insignificant defects.

4. Partial deliveries are permitted

VI. Property rights

The supplier will only deliver on the basis of the property rights described herein. This also applies to all future deliveries even if the supplier does not always refer to it expressly.

1. Until fully paid for, delivered goods remains the property of the supplier. The supplier retains the right to take the delivered goods back, if the customer is in breach of the contractual agreement.

2. The customer is obliged, until such time as the property ownership has been transferred, to treat the delivered goods carefully. He is particularly obliged to adequately insure these against theft, fire and water damage at his own expense to the value as new. If maintenance and or inspection work must be performed, the customer has to timely execute such work at his own expense. Until such time as the property ownership has been transferred, the customer has to inform the supplier immediately in writing if the delivered goods are impounded, or exposed to other interventions of third parties. If the third party is not in a position to meet the supplier's legal costs resulting in court or, out of court proceedings, refunds will be made in accordance with § 771 of the German ZPO. In this case, the customer is fully liable for resulting reimbursements.

3. The customer is authorised to further dispose of, or sell the ordered goods within his normal commercial dealings. Any claims against the supplier made by the subsequent purchaser from the customer's disposal of the delivered goods may only be considered if the customer has paid the supplier the contractual amount (including value added tax). This clause remains valid, whether or not the delivered goods have been reprocessed or reworked before resale. The customer remains responsible for the collection of the debt after such transfer. The supplier's authority to collect the debt from the customer, remains unaffected. However, the supplier will not enforce the debt collection providing the customer meets his payment liabilities to the supplier from the subsequent sale, is not in delay of payment and no application for opening of an insolvency process has been made, or there has been a notice to suspend payment issued.

4. Processing and manufacture, or remodelling of the ordered goods made by the customer may only be made by authority of the supplier. In this case expectancy rights of the customer continues for the ordered goods during the reworking process. Should supplied goods supplied be reprocessed, or reworked with parts not belonging to him, the supplier automatically assumes co-ownership of the new object to the calculated value of his part proportionally related to the value of the other finished part at the time of the reprocessing. The same applies in the case of blending or mixing. Should the blending or mixing occur whereby the property of the customer is the major component, it is agreed that the customer assigns co-ownership to the supplier pro rata and protects his interests accordingly. To secure the supplier's rights against the customer, the customer may wish to provide land, or property deeds as security to a third party against ordered goods; the supplier will immediately agree to such an arrangement.

5. The supplier is obliged to release the security held by us on demand of the buyer, providing that the security realizable value exceeds the amount to be secured by more than 10%."

VII. Liabilities for defects in the delivery

For quality defects in the delivery, which expressly includes assured quality, the supplier is bound irrespective of paragraph IX, subparagraph 4 to be committed to the following:

1. The supplier retains the right after a free of charge and economic inspection of the affected parts, to either repair, or replace parts that have been in use less than 6 months after commissioning that result in causing a dangerous situation - particularly if caused by faulty construction, bad building-materials or unsatisfactory execution - or useless, or deemed significantly impaired for the purpose. The establishment of such defects must be notified to the supplier immediately in writing. Replacement parts are the property of the supplier. If the dispatch, installation, or commissioning is delayed through no fault of the supplier, the liability is removed at the latest 12 months after the danger situation has elapsed. Should such causes be as a consequence of a third party intervention, the liability of the supplier is reduced proportionally to the third parties involvement.

2. The right of the customer to claim in respect of defects is limited in every case to 6 months beginning at the time of discovery, and ending at the expiry of the guarantee period.

3. No liability is assumed for damages that have resulted from following causes:

Unsuitable or improper use, faulty assembly or commissioning by the customer, or a third party, natural wear and tear, faulty or careless treatment, unsuitable operating materials, replacement

materials, unsatisfactory construction work, unsuitable installation, chemical, electrochemical or electrical faults providing that they are not proved to be caused by the supplier.

4. The customer shall allow the supplier after due consultation, sufficient time and opportunity to undertake economic inspection, affect repairs, or provide replacement parts, otherwise the supplier shall be deemed free from any liability for faulty goods. Only in urgent cases of endangering works safety and for the prevention of disproportional damages, in which case, the supplier must be contacted immediately, or if the supplier is delayed in the rectification of the fault the customer retains the right to rectify the fault personally, or through an appointed third party and to be reim-bursed by the supplier.

5. The supplier shall bear the immediate costs arising from repair, or replacement in so far as the complaint proves justifiable - i.e. cost of the replacement part, including dispatch as well as the adequate costs of the disassembly of the defective part and installation of the replacement. In the event of individual situations where a more economic solution is available, the costs of the customers own required number of fitters and workmen. For all other events, the customer shall bear the costs. 6. For replacement parts and repair, the guarantee period is three months and runs at least up to the expiry of the original guarantee period for the original delivered part.

The liability period for defective parts of the delivered goods is extended by the duration of the business interruptions caused by the remedial work.

7. Improper changes, or commissioning work carried out by either the customer, or by a third party without previous approval of the supplier will invalidate the supplier's liability for any consequences arising.

8. All other claims by the customer, particularly claims for damages, which have not been caused by the delivered goods, are revoked.

This liability exclusion is not applicable to premeditated intention to cause damage, or gross negligence by the owner, or his executives and in the case of and according to product liability law, defects of the delivered goods causing harm or damage to people or private property. This liability exclusion also does not apply to quality defects, if such defects are explicitly assured, if the assurance is aimed to protect the supplier against damages that are not part of the original delivered goods.

VIII. Liability for additional duties

If negligence, or faulty performance occurs to the ordered and delivered goods either at or after contract begin through the fault of the supplier, because suggestions and consultations, or other additional duties – particularly referring to guidance for usage instruction and maintenance of the delivered goods are not able to be performed as contracted, the regulations provided by sections VII and IX are deemed valid correspondingly under exclusion of further claims by the customer.

IX. Right of the customer to termination and other liabilities of the supplier

1. The customers may withdraw from the contract if the complete execution proves impossible for the supplier to perform, before transfer risk ownership occurs. The same applies to inability of the supplier. The customer may also withdraw from the contract, if the execution of a part of the delivery of the amount becomes impossible and the customer has a legitimate interest in the rejection of a partial delivery of the order; if this proves not to be the case, the customer may then reduce the service or delivery correspondingly.

2. If the performance delay lies within the scope of section IV of the delivery terms and the customer grants an adequate extension to the supplier with the express declaration that he may decline acceptance of the performance after expiry of this extension period and the extension is subsequently not met, the customer is permitted to terminate the agreement.

3. Should an event occur during the ownership transfer delay, which presents impossibility of delivery, or through a fault of the customer, obligations of equivalent performance become enforceable.

4. Furthermore, the customer has a right of withdrawal, if the supplier fails to perform according to the delivery terms during the adequate extension period granted for the repair, or replacement delivery in respect of defective parts. The customer's right of withdrawal also exists in other cases of failure of the supplier to repair, or replace defective parts.

5. Further claims by the customer, particularly exchange, cancellation or reduction, as well as replacement of damaged parts of any description, more precisely such damages that did not arise at the time of delivery are excluded.

This liability exclusion is not applicable to premeditated intention to cause damage, or gross negligence by the owner, or his executives and in the case of and according to product liability law, defects of the delivered goods causing harm or damage to people or private property. This liability exclusion also does not apply to quality defects, if such defects are explicitly assured, if the assurance is aimed to protect the supplier against damages that are not part of the original delivered goods.

X. Place of jurisdiction

For all disputes arising out of the contract, action may be taken against a responsible person or persons, a legally defined entity, or public corporation and may be represented at the court of

jurisdiction responsible for the registered headquarters of the supplier (Elmshorn/ Germany), or at the subsidiary, where the delivery occurred. The supplier is also authorised to take legal action at the registered headquarters of the customer.

XI . Other issues

1. The return of the supplier's products is only permissible with his previous written consent and quoting his invoice number details. The product must be returned to the work in Elmshorn freight paid. A credit note may be issued after deduction of any examination costs, re-storage and any value reduction of the product. Non standard deliveries and spare parts are excluded and may not be returned by the customer
2. Interventions and changes to the supplier's software, including alterations, copies and imitations are prohibited without the supplier's prior consent.
3. These conditions shall apply outside of Germany, providing they are enforceable. If these conditions are unenforceable and/or German law cannot be legally applied, the UN purchase rights are agreed upon additionally. This does not apply to any guarantees or liabilities, which have to be specially agreed separately. For all other legal points not covered, German law shall apply.
4. This document has been translated from our "Allgemeinen Bedingungen für Lieferungen und Leistungen" and is intended to be an aide to non German speakers. We have taken reasonable care in the translation.