

General Supply Conditions

1. Acceptance of General Terms and Conditions

Delivery of products shall be subject to the General Terms and Conditions specified below. These General Terms and Conditions shall be deemed to have been accepted by the Buyer upon placement of the purchase order or upon the Buyer's first act of performance at the latest. Any agreements between the Buyer and the Seller not covered by these General Terms and Conditions shall be subject to the Seller's written confirmation. If any provision of these General Terms and Conditions is rendered or declared invalid by any other express written agreement between the Seller and the Buyer, the remaining provisions shall not in any way be affected thereby.

2. Quotations

The Seller's quotations shall be valid for a period of 90 days from the date of the quotation. All products are subject to prior sale. Consulting services rendered by the Seller prior to the placement of the purchase order shall be invoiced at the usual rates. Cost estimates, drawings, illustrations, samples, information concerning weights and dimensions, and any other documentation submitted by the Seller, whether in electronic format or otherwise, remain the property and copyright of the Seller. Such documents shall not be disclosed to third parties without the Seller's prior written consent. Unless expressly agreed to in writing by the Seller, technical descriptions included in the quotation shall not be binding upon the Seller.

3. Scope of delivery

The scope of delivery, including safety equipment, where applicable, shall be as specified in the written confirmation of order.

4. Prices

Unless otherwise specifically agreed, all prices indicated refer to ex-works delivery and are inclusive of loading at the Seller's works, but exclusive of packing, unloading and transport insurance.

5. Payment

Unless otherwise specifically agreed, the following payments shall be made net cash by transfer to the Seller's bank account:

- 30% advance payment upon receipt of the confirmation of order,
- 70% upon notification of readiness for dispatch.

Payment shall be deemed to have been made on the date the sums due are actually available to the Seller. The Buyer shall not be entitled to withhold payments or to set off payments against counterclaims unless such counterclaims are found to be uncontested or legally enforceable.

6. Retention of title

Title to products supplied by the Seller shall remain vested in the Seller until all sums due under the delivery contract have been paid in full.

In the event that the Buyer resells the delivered product, the Buyer agrees to inform its customer that title to the product vests in the Seller. When reselling the product, the Buyer shall assign to the Seller all payments to be made by its customer for the purchase of the product and all secondary rights until all sums due to the Seller have been fully paid. At the time of resale, the Buyer shall inform its customer that the payments due for the delivered product have been assigned to the Seller. The Buyer shall not be entitled to resell, pledge or transfer property of the delivered product by way of security without the Seller's prior written consent. In the event that the delivered product is seized by a third party under a levy of execution, warrant of attachment or other right of disposition, the Buyer shall notify the Seller immediately thereof and inform the third party that title to the product vests in the Seller. If the Buyer fails to comply with its contractual obligations, especially when failing to perform payment when due, the Seller, after having sent a letter of reminder to the Buyer, shall be entitled to terminate the contract, and the Buyer shall immediately surrender possession of the delivered product. Further legal claims of the Seller shall remain unaffected by this provision.

7. Transfer of risk

Unless otherwise specifically agreed, the risk in the products shall pass to the Buyer upon dispatch of the products from the Seller's Hannover plant. This shall also apply if the products are delivered in more consignments or if the Seller has agreed to accept additional costs, such as shipping costs, or to provide additional services, such as shipment to the Buyer's address or installation. The risk in the products shall also pass to the Buyer if the products are ready for dispatch but kept at the Seller's premises due to the Buyer's failure to take delivery on the date agreed upon.

8. Notice of defects

The Buyer shall inform the Seller within eight (8) days from the receipt of the products of any missing items or of any defects that can reasonably be identified immediately upon delivery. Transport damage must be recorded by the Buyer in the presence of the carrier and must be confirmed by the carrier. In the event that the Buyer fails to notify the Seller within the specified time limit or fails to record transport damage correctly, any claims shall be excluded.

9. Delivery times

The delivery times set forth in the quotation shall not be binding upon the Seller. In the event that fixed delivery times are agreed between the Seller and the Buyer, final clarification of all commercial and technical details by both contracting parties up to the date such schedules are agreed as well as the Buyer's timely performance of all its obligations represent essential requirements to enable the Seller to meet the delivery times. Failure to comply with this condition or modifications of the ordered products requested by the Buyer after the effective date of the contract shall result in a reasonable extension of the delivery time unless the delay in delivery is the Seller's sole responsibility. The Seller shall not be responsible or liable for delays in delivery caused by failure by its suppliers to deliver products in time or in accordance with the purchase order.

Delivery shall be deemed to have taken place within the agreed time scale if the products have been dispatched from the Seller's works by the end of the delivery deadline or, in the case of agreed collection of the products by the Buyer or in the case of the Buyer's failure to take delivery, if the Buyer has been notified of the readiness for dispatch.

The delivery times shall be reasonably extended if extraordinary and unforeseen events, which are beyond the Seller's control, occur at the Seller's premises or at the premises of its suppliers. Such events include equipment breakdown, production of rejects, strikes, industrial action, etc. The Seller shall notify the Buyer of the beginning and expected end of such circumstances.

In the event that delivery is delayed at the Buyer's request, all costs incurred for the storage of the products for any period commencing one month after notification of readiness for dispatch shall be at the Buyer's expense. If the products are stored at the Seller's works, the Buyer shall pay a minimum of 1% of the invoice amount per month of storage, where any fraction of a month shall be counted as one month, unless the Buyer can furnish proof of lower storage costs. However, the Seller shall be entitled to dispose of the products after expiry of a reasonable grace period.

In the event that the Buyer suffers any loss or damage due to late delivery by the Seller, the Buyer shall be entitled to claim a lump-sum compensation for any damage caused by the Seller's default. Such compensation, which shall be charged in settlement of all claims the Buyer may bring forward due to delayed delivery by the Seller, shall be paid at a rate of 0.3% for each completed week of delay after expiry of a two weeks' grace period, but in no event shall the aggregate of such compensation exceed 3% of the price of that part of the total delivery that is delivered late. The Seller shall not be liable to pay such compensation if delivery is not delayed for more than 10 working days after expiry of the grace period.

If the Seller causes substantial delays in delivery and if the Buyer, taking due account of the legal exceptions, grants the Seller a reasonable period within which to perform its obligations, the Buyer shall be entitled to cancel the contract in accordance with legal requirements if the extension granted by the Buyer is considerably exceeded by the Seller. The Buyer shall inform the Seller in writing within thirty (30) days from the end of such extension that it will exert such right.

10. Installation and commissioning

Unless otherwise specifically agreed, installation of the machines shall not be included in the Seller's scope of services. If installation is provided by the Seller, such services shall be rendered at the Seller's conditions for installation work.

The location and date/time of commissioning shall be agreed between the contracting parties. Depending on the complexity of the machinery, commissioning may take up to six (6) months. Prior to the expiry of such period, extensions of time shall only be granted if the Buyer has a legitimate interest in such extension. The Buyer shall not be entitled to resort to legal remedies in the event of the Seller's failure to comply with the time limit unless the Seller's compliance with the extension of time is of far greater interest to the Buyer than to the Seller. The Buyer shall inform the Seller in writ-

ing within thirty (30) days from the end of such extension about the legal remedies the Buyer intends to resort to.

11. Warranty

Products found to be defective or deficiencies in title shall be covered by the warranty specified hereunder. Except as provided in Clause 12 below, any claims beyond this warranty shall be excluded. The warranty period for new products is twelve (12) months from the date of delivery.

In the event that products are found to be defective due to circumstances arising before the transfer of risk the Seller shall remedy all defects by rectifying the defect or, at the Seller's option, by supplying products that are free from defects (remedy). Discovery of such defects and their expected consequences shall be reported to the Seller immediately in writing. Replaced products shall become the property of the Seller.

The Buyer shall grant the Seller sufficient time and opportunity to remedy the defect and shall ensure that the Seller has unlimited access to the delivered product. The time granted to remedy the defect shall be agreed with the Seller. The Buyer's failure to comply with these requirements shall relieve the Seller from its liability for any consequences arising therefrom. The Buyer shall not be entitled to rectify the defect on its own account or have it rectified by third parties after consultation with the Seller and to claim compensation for the costs incurred from the Seller unless such course of action is urgently required to avoid severe and imminent operational risks or severe and imminent damage.

Provided that the Buyer's complaint concerning defective products proves to be justified, the costs incurred to remedy the defect by providing a replacement product, including shipping costs and reasonable removal and installation costs, shall be at the Seller's expense. In order to enable the Seller to remedy the defects, the Buyer shall make available existing tools and lifting tackle as well as mounting and auxiliary personnel at no charge to the Seller.

The warranty specified shall not cover:

- misuse of the product or use not in accordance with the intended use, incorrect mounting and/or commissioning by the Buyer or third parties, normal wear, improper care or neglect, incorrect maintenance, use of unsuitable operating materials, inadequate construction work, unsuitable foundation, chemical, electrochemical or electrical influences – unless attributable to the Seller. Wear parts shall not be covered by the warranty.

The Seller shall not be liable for any damage or loss if defects are remedied by the Buyer or third parties in an improper manner or if the products supplied are modified without prior approval from the Seller. The warranty furnished for services or products supplied to remedy defects shall be to the same effect as the warranty for the delivered product. However, the warranty period shall only be six (6) months from the date of completion of the remedy. The Seller shall be entitled to refuse rectification of defects until the Buyer has fully complied with its duties under the delivery contract.

Should the use of any delivered product infringe industrial property rights or copyrights in the Buyer's country, the Seller shall, at its own expense, obtain for the Buyer the general right to continue using such product or modify such product in a manner acceptable to the Buyer so that it becomes non-infringing. In the event that both measures involve unreasonable costs or cannot be completed within a reasonable period of time, the Buyer shall be entitled to terminate the contract. Under the conditions specified hereunder, the Seller shall also have the right to repudiate the contract.

The Seller shall indemnify the Buyer from and against all uncontested and legally enforceable claims filed by the holders of such industrial property rights.

Except as provided in Clause 12 below, the Seller's obligations in the event of any infringement of industrial property rights or copyrights shall be limited to the duties specified above. The Seller shall only be required to perform such obligations if

- the Buyer immediately informs the Seller of any asserted infringement of industrial property rights or copyrights, and
- the Buyer provides reasonable support to the Seller in the settlement of the asserted claims and/or enables the Seller to perform the modification work specified above, and
- all measures for the settlement of such claims, including out-of-court settlements, are reserved to the Seller, and
- the deficiency in title is not attributable to an instruction given by the Buyer, and
- the infringement was not caused by unauthorized modifications of the delivered product by the Buyer or by the Buyer's failure to use the product in accordance with the provisions of the contract.

12. Liability

a) If, through the Seller's fault, the delivered product cannot be used by the Buyer as specified in the contract owing to failure to correctly implement suggestions and advice given prior to or after the conclusion of the contract or due to the violation of other contractual secondary obligations, especially the provision of instructions for the operation and maintenance of the product, the provisions of Clause 11 and Clause 12 b.) shall apply. Any further claims by the Buyer shall be excluded.

b) Irrespective of the legal grounds and to the exclusion of any further claims, the Seller's liability for damage not caused directly to the delivered product shall be limited to the following cases: * intention, or

- gross negligence on the part of the Seller's executive bodies or executive employees, or
- culpable damage to life, body or health, or
- Seller's malicious silence with regard to defects, or products found to be defective despite the Seller having guaranteed the absence of such defects, or
- defects of the delivered product to the extent that the Seller is liable for personal injury and damage to property in connection with privately used products under the product liability act. In the event of culpable violation of major contractual obligations, the Seller shall also be liable for damage in case of gross negligence on the part of its non-executive employees or in case of culpable negligence. In the latter case, the Seller's liability shall be limited to the contract-typical, reasonably foreseeable damage.

Any further claims shall be excluded.

13. Limitation period

Any claim by the Buyer against the Seller, regardless of the legal grounds, must be advanced within twelve (12) months from the date of delivery of the product. After the limitation period has expired, all claims shall be barred. In the event of the Seller's intentional or fraudulent misconduct or in case of claims based on the product liability act, the legal limitation periods shall apply. Legal limitation periods shall also apply to building defects or to delivered products which have been used for a building in accordance with their normal application and which have caused the building to become defective.

14. Software licence

If software is included in the scope of delivery, the Buyer shall be granted a non-exclusive right to use such software and related documentation. The software is delivered for use in conjunction with a specific product and shall not be used on more than one system. The Buyer's right to reproduce, revise or translate the software or to reverse compile the software from object code into source code shall be limited to the extent permitted by law (German Copyright Law, Section 69 a et seq.). The Buyer agrees not to remove or change supplier information, especially copyright notices, without the Seller's prior written consent.

Any other rights relating to the software and documentation, including copies thereof, shall remain with the Seller and/or software supplier. Sub-licences shall not be granted.

15. Termination

The Seller shall be entitled to terminate the delivery contract in whole or in part if insolvency proceedings are filed or instituted against the Buyer or if any other substantial deterioration in the Buyer's financial condition occurs.

16. Applicable law and jurisdiction

Any agreements between the Seller and the Buyer shall be governed by and construed in accordance with the exclusive laws of the Federal Republic of Germany. The parties hereto shall submit to the jurisdiction of the Hannover first-instance district court. However, the Seller shall be entitled to bring action or proceeding against the Buyer in a court located at the Buyer's principal place of business. The place of performance shall be Hannover.