

GENERAL CONDITIONS OF SALE AND DELIVERY

§ 1 Quotation and conclusion of contract

- (1) All of supplier's quotations are without obligation.
- (2) Orders are only considered to be accepted after a written confirmation signed by the supplier. Until then, the supplier's offer is not binding. Telegraphic, telephone or verbal additions or secondary agreements also need the supplier's written confirmation in order to be valid.

§ 2 Transfer of risk

- (1) The risk is transferred to the customer at the time of delivery from supplier's works, also if 'freight prepaid' has been agreed upon. Should the delivery be delayed through customer's fault, the risk will already be transferred to the customer at the time of readiness for dispatch.
- (2) The choice of way and mode of shipment are left to the supplier. Additional costs not being due to supplier's fault will be at the customer's charge and expenses.
- (3) The goods will not be insured by the supplier against the risk of transport damage.

§ 3 Prices

- (1) The prices are calculated on the basis of material and factory cost as valid at the time of quoting.
- (2) Should one or more factors increase after the date of our quotation, also if this happens as a cause of unforeseen circumstances, the supplier is entitled to increase the price accordingly.

§ 4 Payment terms

- (1) All prices are made out in EURO.
- (2) All payments have to be made in cash and without any discount at no charge to the supplier's payment office. The dates for payment result from the according agreements made out for this order.
- (3) The acceptance of drafts and checks is only for the sake of payment. Discounting and drafting expenses are taken over by the customer.
- (4) If delays are granted for payments or if payments are effected later than agreed, a rate of interest will be charged for the according time at 4 % exceeding the valid Deutsche Bundesbank's discount rate, without the necessity of putting in default.
- (5) The withholding of payments or the setting off of any claims by the customer are excluded.
- (6) If the customer is in default of payment, the supplier is not obliged to any further, possibly agreed deliveries and is entitled to ask for and receive compensation.
- (7) Representatives are not entitled to accept payments, except for individual exceptional cases and with the supplier's express power of attorney.

§ 5 Delivery time

- (1) The delivery time starts as soon as all details of implementation of the order are clarified and both parties have made an agreement on all terms of the transaction. It refers to the completion in the supplier's factory. Its obedience requires the customer's fulfillment of all contract duties, especially with regard to the agreed payment terms.
- (2) The delivery times stated by supplier are not binding. The supplier will endeavor to keep to the agreed delivery times. Any liability by the supplier on account of delay of the delivery is excluded.
- (3) Exceeding the delivery time does not relieve the customer from his duties, except if the supplier made an appropriate extension expire unused.
- (4) Unforeseen events beyond the supplier's goodwill, e.g. factory breakdowns, strikes, lockouts, losses of material deliveries - in his own or in his Subsupplier's factory - extend the delivery accordingly, also if these occur during an extended delivery time. The same goes for delays caused by an unpunctual receipt of official authorizations, forms or further approvals required for carrying out deliveries, as well as any necessary details to be provided by the customer for the implementation and any later alterations of the order.
- (5) Partial deliveries are allowed.

§ 6 Liability and defects of delivery

- (1) Notice of complaints has to be asserted in writing ultimately within 8 days after receipt of the goods supplied. In this case, it is not allowed to have disposed of or to dispose of the goods.
- (2) Complaints do not relieve the customer from the agreed payment terms.
- (3) The supplier will carefully examine the claim and will duly inform the customer of the outcome of his inspection.
- (4) Any return of goods by customer to the supplier can only be made with the supplier's explicit consent.
- (5) If a part of the delivery is rightfully faulted, this does not entitle the customer to any cause of complaint on the total delivery.
- (6) The enforcement of consequential damage by the customer is excluded. The supplier is at any rate only liable up to the total amount of the supplied goods and not for any consequential damage.

- (7) The supplier is not obliged to eliminate any faults as long as the customer does not fulfill the obligations of payment as agreed and entered by him.
- (8) Also the non-availability of promised properties is considered to be a fault in the sense of the terms of delivery.

§ 7 Customer's right of cancellation

- (1) The customer is basically not allowed to cancel a contract confirmed by the supplier.
- (2) Should the customer nevertheless cancel a contract of supply and should the ordered goods not yet have been manufactured at the time of the cancellation, the customer has to pay an amount of 25% of the value of the order, without obligation of the supplier to prove his damage. The enforcement of further damages is reserved.
- (3) Should any parts of the order have already been manufactured at the time of supplier's receipt of the cancellation, the customer is obliged to take these parts or assemblies and to pay for the same. For the parts or assemblies which have not yet been manufactured, the aforementioned paragraph applies.
- (4) The customer has a right of cancellation, if the supplier has made either expire an appropriate extension unused as granted to him for the elimination of a fault for which he has to stand in, if the repair or the replacement of a suitable part proves to be impossible or if the elimination of a fault, which has been proven to the supplier, is refused to him; all other customer's claims are excluded, especially all claims for compensation.

§ 8 Supplier's right of cancellation

- (1) If the supplier gets knowledge of an unfavorable financial situation of the customer, the supplier is allowed to request a warranty for the remuneration or is allowed to withdraw from the contract, taking into account the expenditure made by him.
- (2) The same applies in the case of a deteriorating financial situation of the customer during a long term contract.
- (3) Any act of force majeure, for whatever reason, will release the supplier from all obligations of delivery.

§ 9 Place of payment and court of jurisdiction

- (1) The supplier's works are place of delivery and payment.
- (2) For all cases of contention resulting from the contract, also in the case of complaints of a bill, proceedings have to be instituted at the Civil Court of München, Germany. The supplier will also be entitled to sue at the customer's head office.
- (3) All cases are exclusively and only subject to German law.

§ 10 Reservation of proprietary rights

- (1) The goods remain property of supplier until complete receipt of payment of the purchasing price and supplementary claims, if any. Until then, these are neither allowed to be alienated, nor to be mortgaged.
- (2) This reservation of proprietary rights also applies if the delivered goods are either processed or reworked and then resold by the customer. In the affirmative case, the customer's claim to his final customer is transferred to the supplier at the rate of the supplier's invoice for the value of the goods.
- (3) In the case of non-punctual payment by the customer, the delivered goods can be immediately reclaimed or collected back without preceding reminder or necessity of putting in default.
- (4) The supplier is entitled to insure the object of delivery against fire, water and other damages as far as the customer did not prove to have concluded any such insurance.
- (5) No mortgages or security transfers are permitted. In the case of distraint by any third parties, the supplier has to be informed without delay.
- (6) The enforcement of the reservation of proprietary rights and the distraint of the delivered goods by the supplier are not considered as a withdrawal from the contract.

§ 11 Engagement of the contract

- (1) Even if any individual items of its terms and conditions are ineffective or do not apply, the contract remains obliging to all parties. Only German law applies to its interpretation.
- (2) If a requirement of this contract is unclear in any individual case, it has to be interpreted in accordance with the economical spirit of this contract.
- (3) The aforementioned requirements are decisive for both the acceptance of the order and for the supply. By placing an order with the supplier, respectively after due receipt of the order confirmation, the customer will accept all aforementioned requirements, terms and conditions.

EXTENDED CONDITIONS OF SALE FOR THE SALES OF MACHINERY, MACHINERY PARTS AND MACHINERY SYSTEMS

§ 1 Extent and duty of delivery

- (1) Dimensions, weights, illustrations, diagrams and drawings are only binding for the carrying out of the order if expressly confirmed by supplier in writing. Gross weights and measurements of boxes are stated roughly according to the best possible estimation, but without commitment.
- (2) Electro-technical accessories (motors etc.) are according to the General Conditions of Delivery of the „Zentralverband der Elektronischen Industrie“ (Central Association of Electronic Industries), for its implementation, the prescriptions of the „Verband Deutscher Elektrotechniker“ (VDE, German Electrotechnical Association) apply.
- (3) Unless explicitly agreed otherwise, the packaging material is not included in the price and is invoiced separately.

§ 2 Liability and defects of delivery

- (1) The supplier is only liable for defective deliveries to such an extent that he is obliged to repair or, at his own discretion, to replace those parts at no cost that become unusable within 12 months after the date of delivery. Notice has to be given in writing of these defects to the supplier without delay and the defective parts in question have to be returned at once on demand. Faults of construction or inadequate carrying out are conditions for liability; the liability of defects of material is only limited to its recognizability under expert care.

- (2) No liability is accepted for damaged as caused by normal wear and tear.
- (3) In order to enable the supplier to make all changes as necessary according to his judgement and to deliver replacement parts or equipment, the customer has to allow to the supplier the required time and occasion at no charge, and, if required, to put assistance personnel at his disposal.
- (4) The cost and expenses for the assisting personnel, if any, will be absorbed by the supplier, if the complaint has proven to be justified; in all other cases by the customer.
- (5) The supplier will furthermore not be liable if the repair or compensation is aggravated by any non-authorized repair works carried out by the customer on his own authority.
- (6) No guarantee applies to the sales of used machinery and equipment. These are sold as inspected or according to a specified confirmation.
- (7) If Woywod devices or equipment are connected to other machines, the system owner is responsible for the conformity assessment procedure of the entire system, in particular for the interfaces (connection points from one machine to another).