

## Sales, delivery and payment terms

### **I. General**

These terms apply exclusively for all current and future proposals, deliveries and services. Deviating terms for the ordering party are herewith contested. Deviations from these terms are only valid following written confirmation. In addition to this the „VDMA – Terms for the Delivery of Machines for Domestic Business “ and the „VDMA– Terms for Domestic Assembly “ apply.

### **II. Offer**

The documentation belonging to the offer such as illustrations, diagrams, weight and volume details are only approximate guidelines if they are not marked as obligatory. On cost proposals, the supplier reserves the ownership rights and copyrights on illustrations and other documentation; they may not be made accessible to third parties. The supplier is obliged to only make the ordering party's confidentially drawn plans available to third parties with the approval of the ordering party.

### **III. Scope of the delivery**

The written order confirmation from the supplier determines the scope of the delivery. In the case of a supplier offer with a time commitment this is the timely acceptance of the proposal, if no timely order confirmation is available. Additional agreements and changes have to be confirmed in writing by the supplier. The right is reserved to correct errors in proposals, order confirmations and invoices and does not give grounds for compensation claims. All rights to construction documentation remain with the supplier. Only the technical documentation according to the scope of the offer belongs to the scope of the delivery.

### **IV. Prices and payment terms**

1. The prices apply in the absence of special agreements ex-factory, including loading at the factory, but excluding packaging. VAT is then added to the prices at the statutory rate.  
 2. In the absence of special agreements payment is cash without all deductions to supplier, i.e. 1/3 prepayment after receipt of the order confirmation, 1/3 as soon as it is communicated to the ordering party that the major parts are ready to be shipped and the rest within 30 days.  
 3. The retention of payments or settlements against claims contested by the supplier is not allowed.

### **V. Delivery time**

1. The delivery period begins with the sending of the order confirmation, but not before the documentation, approvals and releases to be obtained by the ordering party as well as the receipt of the agreed prepayment have been provided.  
 2. The delivery period is fulfilled if the delivery object has left the factory or its readiness for dispatch has been communicated within the delivery period.  
 3. The delivery period is extended to a reasonable extent in the case of industrial disputes, especially strikes and lockouts, as well as unforeseeable hindrances, which are outside the powers of the supplier, in as far as such hindrances are proven to have a significant impact on the manufacture or delivery of the delivery object. This also applies if the circumstances occur at the supplier. The defined circumstances can also not be represented if they occur in the case of a delay which already exists. The beginning and the end of this kind of hindrance will be communicated in important cases by the supplier to the ordering party as soon as possible.  
 4. If the ordering party is subject to damage due to a delay which is caused by the supplier, he is entitled to claim delay compensation at exclusion of further claims. It amounts to 0.5 % for each additional week of delay but a maximum total of 5 % of the total value of the part of the total delivery which cannot be utilised in time or according to the contract, as a result of the delays. A delay exists, if the supplier cannot fulfil his obligations within the delivery period including a reasonable delay schedule.  
 5. The fulfilment of the delivery period obligation assumes the fulfilment of the contractual obligations of the ordering party.  
 6. Partial deliveries are permitted.

### **VI. Transfer of peril and acceptance**

1. The peril is transferred at the latest with the shipment of the delivery parts to the ordering party and indeed then if partial deliveries occur or the supplier has taken over other services e.g. dispatch, direct delivery or set up.  
 2. On the request of the ordering party the shipment will be insured at his cost by the supplier against theft, breakage, transport, fire and water damage as well as other insurable risks.  
 3. If the dispatch is delayed as a result of circumstances caused by the ordering party, the peril is transferred to the ordering party from the day of readiness for shipment; however the supplier is obliged, based on the request and costs of the ordering party, to ensure that the desired insurance is settled.  
 4. Delivered objects are, even if they show insignificant defects, are to be accepted by the ordering party irrespective of the rights in Section VIII.

### **VII. Reservation of Ownership**

1. The goods delivered by us remain our property until the complete payment of all debts arising from the customer relationship between us and the buyer. This reservation of ownership also applies in the case of payments by bill of exchange.  
 2. The buyer is authorised to resell and/or process the reserved goods in the normal run of business; a pledge or transfer of securities of the reserved goods is however not permitted.  
 3. The buyer herewith forfeits his debt from reselling the reserved goods to the amount of the purchase price agreed with us. We accept the forfeit. This also applies if the debt from reselling is set into a current invoice. Irrespective of whether reselling has occurred in this case with or without our approval the buyer already forfeits to us his claim to a credit amounting to the billing value.  
 4. The buyer undertakes processing or further manufacture of the reserved goods for us without obligations arising for us as a result. In the case of processing, connecting or mixing of the reserved goods with other goods not belonging to us, we are entitled to the arising co-ownership share of the new object in the relationship of the billing value of the reserved goods to the other processed goods at the point in time of processing, connecting or mixing. If the buyer buys the sole ownership of the new goods the contract partners herewith agree that the buyer designates to us a co-ownership share in the relationship of the billing value of the reserved goods to the other processed goods at the point in time of processing, connecting or mixing; a financial entitlement of these new goods by us is already agreed.  
 5. If the goods are resold together with other goods, irrespective of with or without processing, connecting or mixing, the above agreed prior withdrawal only amounts to the billing value of the reserved goods which are resold together with the other goods. For contracts on factory and workshop services, where their usage extinguishes the reservation of ownership, the salary debt amounting to the billing value of the reserved goods is already forfeited to us.

6. Pending a recall by us the buyer is authorised to draw the forfeited debts on our behalf. The withdrawal authorisation has our express withdrawal if the buyer does not fulfil his obligations to us or is subject to a deterioration of assets.  
 7. The buyer is obliged – if required by us – to provide information in writing at any time on the location of the goods on which we reserve ownership rights. The buyer is obliged to inform us immediately of any reduction of our ownership rights reservation, especially of a seizure. The buyer assumes responsibility for costs and damages.  
 8. If the buyer does not fulfil his obligations to us, but especially if a payment is not made in adherence with the contract, we can – without damage to our other rights – demand the return of our property or at least demand the forfeit of the claims to distribute our property. In the return as well as the mortgaging of the reserved goods by us - in as much as the laws on instalment payments does not apply- there is no entitlement to withdrawal from the contract.  
 9. If the assurances provided to us according to the above terms exceed the debts to be secured by more than 20 %, we will release securities amounting to the excess amount on the request of the buyer.

### **VIII. Liability for defects in the delivery**

There is only liability for defects and the absence of assured product features in the event of an immediate check and complaint ( e.g. of damages not arising on the delivered goods themselves) and without any further liability within the reasonable limits of the following terms:  
 1. Warranty will not be accepted for damages which result from the following:  
 1.1 Use and/or operation and/or assembly/set up of the delivered goods contradicts the terms defined in the order confirmation. If the definition is missing only the data sheets marked as obligatory, or other documentation attached to the order confirmation, apply.  
 1.2 other unprofessional or unsuitable use;  
 1.3 incorrect assembly /set up by the ordering party or by a third party;  
 1.4 natural wear and tear or wear and tear through environmental influences;  
 1.5 incorrect or insufficient maintenance;  
 1.6 other influences not caused by the supplier/manufacturer.  
 2. All parts which, by daily eight hour usage, prove to be defect after twelve months of going into operation ( six months in the case of multiple shifts), are either improved or exchanged, as the supplier wishes if the defects are caused by the supplier due to circumstances arising prior to the transfer of peril.  
 3. The ordering party assumes responsibility for the freight costs for the repaired goods or for the replacements parts to be shipped. Costs of the ordering party for the removal, assembly and set up will not be reimbursed.  
 4. As part of the process of putting into operation, the day applies on which the delivered object was first taken into operation or used. Subsequent operational interruptions which are not caused by the supplier have no influence on the process and the period of the guarantee. The day of putting into operation is to be communicated voluntarily to the supplier by the ordering party. If this does not occur the dispatch day plus an acceptable number of shipping days is taken as the day of putting into operation.  
 5. If the start of operation is delayed through no fault of the supplier, the guarantee period begins at the latest six months after indication of readiness to dispatch.  
 6. The warranty period is neither extended, interrupted nor restricted by improvement, addition or exchange of the delivered goods.  
 7. The claim of the ordering party becomes invalid if it does keep to the time and fulfilment necessary for the improvement or substitute delivery, or makes changes or repairs - either itself or through a third party - without the approval of the supplier.  
 8. For goods manufactured by third parties liability is limited to the supplier's liability on the cessation of his own liability claims.  
 9. Refusal to eliminate defects is permitted as long as the ordering party does not fulfil his obligations.  
 10. Expenses of the suppliers in association with unfounded complaints are to be compensated like works contracts services.

### **IX. Defect liability for repairs**

In the case of repairs, the defect liability is limited to replaced worn parts and the specialist completion of the workshop and assembly work; with regard to this work, on the condition that corresponding defects are indicated immediately following the repairs.

### **X. Limitation of liability**

All damage compensations of the ordering party not regulated by these terms are not allowed, especially if they are not applied to damages on the delivery object itself. Agreements on contract penalties are only valid after express written confirmation by the supplier.

### **XI. Termination of the contract**

If the supplier cannot provide the services or can only provide the services with an unreasonable degree of difficulty withdrawal from the contract is allowed. Damage compensation claims do not result for the ordering party. The same applies in the event that, in circumstances associated to the person of the ordering party, their services appear endangered and he does not provide adequate assurance on request. Special rights of withdrawal for the ordering party are not agreed.

### **XII. Additional terms for delivery of machinery and plant**

The proposed price (order value) includes all work projected and defined in writing in the pre-planning process. In the event that changes are necessary during the processing of the order or later on the request of the ordering party or due to a clarification error, to which we reserve the right according to Section III of these Terms, new prices will be agreed. Only for completely assembled total systems or machines: The system will be delivered completely assembled as detailed in the text of the proposal or the order confirmation if there is such a shipment possibility. In the event that the transport and packaging make it necessary to disassemble bulky pipes, fittings or other parts, the on site assembly costs are charged to the ordering party. The set up costs at the final location are not included in the price. In as far as the assembly and setting in operation is required through an assembly worker, we invoice the necessary expenses in adherence with our assembly terms and general billing rates.

### **XIII. Fulfilment location, court of jurisdiction**

The fulfilment location for all services arising from the delivery contract of the seller is 91166 Georgensgmünd. Court of jurisdiction is Nuernberg ( also for bill of exchange and cheque proceedings). It is agreed that the laws of the Federal Republic of Germany apply.