

## General Delivery and Payment Terms and Conditions

### I. General Scope of Validity

1. Our sales terms and conditions apply exclusively; any opposing sales terms or such terms put forth by the buyer that differ from ours will not be recognised by us, unless we have explicitly agreed to their validity in writing. Our conditions also apply if we deliver to the buyer without reservation in the knowledge that the buyer has opposing sales terms or such that differ from ours.
2. All agreements, which were made between us and the buyer for the purpose of executing this agreement, are set forth in written form in this agreement.
3. Our sales terms and conditions only apply towards a company as understood by § 14BGB (=Bundsgesetzbuch; German Civil Code).
4. Our sales terms and conditions are also applicable for subsequent orders.

### II. Sales Offers, Sales Offer Documents

1. Our sales offers are non-binding inasmuch as nothing further is implied in the order acknowledgement.
2. We reserve the ownership rights and copyright for illustrations, drawings, calculations and any other documents; these may not be made available to any third party. This applies particularly for such written documents that have been marked as "confidential". Before these are passed on to a third party, the buyer shall require our express authorisation.

### III. Prices, Payment Terms

1. In as far as not otherwise specified, our prices are considered "ex-works" and exclude packaging and transportation costs. Such shall be invoiced separately.
2. Legally applicable VAT tax is not included in our prices; it shall be indicated separately at the legal rate on the date the invoice is issued.
3. In as far as not otherwise specified in our order acknowledgement, the sales price shall be payable net within 30 days of invoice date, or within 10 days of invoice date with a 2% discount of the net merchandise value, plus additional VAT tax, not to include cash advances such as calibration fees, postal fees, packaging, etc.
4. Deliveries of repairs or spare parts are payable net cash value without any deductions for discounts immediately upon receipt of invoice.
5. In the event the buyer is in default of payment, we shall have the right to demand late payment interest in the amount of 8% above the respective published prime-lending rate. The buyer does, however, have the right to provide evidence that we suffered no damage or essentially only minor damage as a result of the payment default.
6. The buyer shall only have the right to offset the invoice amount in the event that a counterclaim has been legally enforced, is undisputable and recognised by us. The buyer shall have the right to execute a right of retention inasmuch as the counterclaim is based on the same contractual relationship.

### IV. Delivery, Delivery Date

1. The time for delivery acknowledged by us presupposes clarification of all technical queries.
2. For the scope of the delivery, our written confirmation applies exclusively. We shall not be liable for damages or incorrectly delivered merchandise based on incorrect information provided by the buyer.
3. Adherence to our delivery obligation also requires the buyer to fulfil his obligations in a timely and proper manner, in particular with regard to the agreed upon payment terms. We reserve the right to object based on a non-fulfilled agreement.
4. In the event of a default of acceptance on the part of the buyer or should the obligation to collaborate be otherwise violated, as such we shall have the right to demand payment for any damage caused us to include any possible additional expenditures. We shall reserve the right to any additional claims.
5. In as far as the provisions noted under number 3 are present, the risk of accidental loss or accidental deterioration of the purchased goods shall be passed on to the buyer at such time that he is in default of acceptance or payment.
6. Should non-adherence to the scheduled delivery date be a result of conditions beyond our control, such as mobilisation, war, riots or any similar situations, such as i.e. strikes, lockouts, the delivery deadline shall be extended for the length of the delay caused by the incidents, insofar such hindrances are proven to not merely have an insignificant influence on the completion or the delivery of the order. This shall also apply in the event that such conditions arise for a supplier.
7. Partial deliveries shall be allowed.
8. In as much as a deliver delay is merely based on an ordinary fault and does not pose a mandatory liability because of harm to human life, body or health, our liability for a delivery delay shall be limited thus that the buyer shall have the right to demand damage for delivered objects, which, because of the delay, could not adequately be put into operation at an amount of 0.5 percent of the price of the goods after each completed week of delay, however not to exceed a total of 5 percent.
9. Should shipment or delivery be deferred on the buyer's request by more than one month after a notification of an order's shipment readiness has been issued, the buyer may be invoiced a warehousing fee for each month commenced in the amount of 0.5 percent of the price of the object to be delivered, however not to exceed a total amount of 5 percent. Both parties of the agreement are at liberty to provide evidence for either higher or lower warehousing costs.

### V. Passing of Risk

1. Unless not otherwise specifically specified in the order confirmation, deliveries shall be agreed upon "ex works".
2. Should the buyer so wish, deliveries shall be covered by a transport insurance policy; any additional costs for such policy shall be borne by the buyer.

### VI. Merchandise Defects

1. We shall be liable for defective merchandise as follows:
2. We shall have the choice to either repair, re-deliver or provide anew parts or services free of charge, which are shown to be defective within the statute of limitation – without regard for its time in operation – should the cause of such defect have been present at the time the risk was passed on.
3. Claims to material defects shall expire within 12 months. The time limit shall begin at the time the risk has been passed on (paragraph V).
4. The buyer is to notify us of material defects immediately in written form.
5. In the event of notice of defects, the buyer may hold back payments in the amount that is appropriate relative to the material defect. The buyer may only hold back on payments in the event that a defect has been notified, the eligibility of which is beyond doubt. Should the notice of a defect be unjustified, we shall have the right to demand payment for expenditures incurred by such from the buyer.
6. Initially, we shall always be provided with the opportunity for repair within an appropriate timeframe. Should the attempt to repair be unsuccessful, as such the buyer – irrespective any claims for damages – rescind from the agreement or make a reduction to the amount payable. The buyer may not demand a replacement for futile expenditures should the defect be the result of malicious intent or an act of gross negligence.
7. Defect claims shall not be valid for insignificant variations of the agreed upon composition, for merely irrelevant impairment of the object's usability, naturally to be expected wear or damage, which after passing on the risk, has been caused by improper or careless use, excessive strain, the use of inappropriate tools or due to special exterior influences, which as per the agreement are not understood, nor by software errors that cannot be reproduced. Should, on the part of the buyer or a third party, improper modifications or repair tasks have been performed, as such these shall also not result in damage claims for the consequences of such.
8. Claims by the buyer for the expenditures necessary for the purpose of repair, particularly transportation and shipping costs as well as costs for labour and material are excluded in as far as the expenditures are increased because the object that was delivered was subsequently transferred to another location or branch of the buyer.

9. The buyer shall only have a right of recourse against us in the event that the buyer has not made any further agreements with his customer, which extend beyond the legal claims for defects.
10. For claims for damages, number 8 applies. Any additional or other claims because of defects as those regulated in this number or in number 8 are excluded.

### VII. Joint Liability

1. Claims made by the buyer for damage – without regard for the legal nature of the claim being made – are excluded.
2. Excluded from such provision are:
  - a) Damage based on a significant breach of contract (cardinal obligations). In the case of ordinary negligence, however, liability for damage claims is limited to predictable damage, which is typically to be expected.
  - b) Damage due to harm to human life, body or health, in as far as we are responsible for the violation of the obligation.
  - c) For any other damage, which is not due to an intentional or grossly negligent violation of our obligation, whereas our violation of an obligation is equal in standing to those of our distributors or assistants.
  - d) Claims for damage based on impossibility or inability.
3. A modification of the burden of proof putting the buyer at a disadvantage is not associated with the above-listed provisions.
4. Liability in accordance to the product liability law remains unaffected.
5. In as far as we should be excluded or limited from liability for damages, as such this shall also apply with regard to the personal liability for damages of our employees, distributors and assistants.

### VIII. Reservation of Title

1. The objects to be delivered (reserved goods) shall remain our property until all demands as a result of the business relationship with the buyer that we are entitled to have been fulfilled.
2. As long as the title remains reserved, the buyer shall be prohibited from pledging or depositing such goods for collateral security and the resale of the goods shall only be allowed by resellers in typical business transactions and only under the condition that the reseller receives payment from his customer or under the reservation that the title to the object shall only be transferred to the customer after he has fulfilled his payment obligations.
3. In the event that the goods are seized, confiscated or otherwise subject to decrees or encroachments on the part of a third party, the buyer is to inform us of the fact immediately to allow us to file a suit as per § 771 ZPO (=Zivilprozessordnung; German Civil Code). Inasmuch as the third party is not able to reimburse us for the judicial and extra-judicial costs incurred by a suit as per § 771 ZPO, the buyer shall be liable for the loss that we incur.
4. In the case that the buyer violates his obligations, especially in the event of a default in a payment obligation, we shall have the right to rescind or to demand return of the merchandise; the buyer shall be obligated to hand over the merchandise in question. The retraction or the validation of the reservation of title does not require the supplier to rescind; in such cases or should the reserved goods be attached by us, a rescission of the contract is not in effect, unless we should explicitly declared it to be so.
5. In the event that the buyer has resold the purchased object in the course of a proper business transaction, as such he shall now relinquish all demands in the amount of the invoiced amount (including VAT tax), which will arise from the resale towards his customer or a third party and this irrespective of whether the purchased object has been resold prior to or after having been processed. The buyer shall be authorised to collect on this demand even after rights have been transferred. Our authority to collect on this demand ourselves shall remain unaffected by this. We hereby do bind ourselves, however, to not collect on this demand as long as the buyer has met his payment obligations from the revenue received from the sale, does not default on his payment obligation and particularly no insolvency proceedings are initiated or the buyer has declared bankruptcy. Should this be the case, we shall be able to demand that the buyer inform us of the demands passed on and the debtor, provides us with all the necessary information for collection, hand over all of the relative documents and inform the debtor (third party) of the assignment.
6. The further processing or re-creation of the purchased object by the buyer shall always be performed to our benefit. Should the purchased object have been processed in combination with other objects that do not belong to us, as such we shall acquire joint ownership to the new object in proportion to the value of the purchased object (invoiced end amount including VAT tax) as compared to the other processed objects at the time such processing took place. Incidentally, in the case of the object that was created in the processing process the same shall apply as for the purchased object that was delivered under reservation.
7. Should the purchased object be combined inseparably with other objects that do not belong to us, as such we shall acquire joint ownership to the new object in proportion to the value of the purchased object (invoiced end amount including VAT tax) as compared to the other processed objects at the time such processing took place. Should the processing have occurred in such a way that the buyer's object is viewed as the main object, it is agreed that the buyer shall assign us with joint ownership proportionately. Thus, the buyer shall safely keep the sole ownership or joint ownership created in this manner to our benefit.

### IX. Place of Fulfilment, Jurisdiction and Applicable Law

1. For all rights and obligations resulting from the delivery of our products and services the location of our company shall be the place of fulfilment for either of these.
2. With regard legal disputes resulting from business transactions with companies, it is agreed that the factual authority, which is placed in the hands of municipal courts shall be turned over to the Municipal Court of Gütersloh and for such disputes that underlie the factual authority of a Regional Court, the Regional Court in Bielefeld shall be the authority.
3. The contractual relationship is subject to the laws of the Federal Republic of Germany. Application of the UN Commercial Law (CISG) is excluded.
4. The data proved to us by the buyer shall be stored and processed in our computers in as far as this is allowable in accordance to the German Federal Data Protection Law (§ 28, § 29 BDSG [= "Bundesdatenschutzgesetz; German Federal Data Protection Law]).

Gütersloh, Germany - July 2013