



1. Scope of Contract

1.1 The extent of our obligations is determined solely by our written Confirmation of Order in accordance with the present Terms and Conditions. Any conflicting purchase conditions issued by Purchaser are not and shall not become a part of this order. Any additional verbal agreements and changes require our consent in writing to be valid.

1.2 All data given in our drawings, illustrations, tables of dimensions and of weights etc. shall in principle be regarded as approximate only, for information purposes; we reserve the right to carry out technical modifications. Our tender documents, projects, estimates of costs etc. may only be used by Purchaser in conjunction with the delivery negotiations or the delivery contract; they shall not be duplicated and they shall not be communicated to third parties, either directly or indirectly. All documents shall remain our property, even if they have been handed over to Purchaser. Should a delivery contract not be reached, we reserve the right to reclaim the documents.

1.3 Where acceptance tests have been mutually agreed, the regulations of DIN 3230/III shall apply in so far as nothing to the contrary has been mutually agreed in writing.

2. Delays

2.1. Quoted delivery times shall be regarded as approximate only and shall run from the date of receipt of the order. If different terms of payment have been mutually agreed, then the delivery time shall commence on the date of receipt of the first instalment or as laid down in the special terms agreed upon. If no such arrangements have been made, the delivery time shall commence on the date of Confirmation of Order. Should the arrival of the letter of credit or of the first instalment be delayed, or should Purchaser fail to submit the documents, contributions and other agreed obligations he has agreed to provide at the mutually agreed time, or should he fail to carry out the necessary formalities, such as the presentation of an import licence or of a foreign exchange authorisation at the proper time, then the delivery times or delivery dates will be extended accordingly. They will also be extended accordingly for as long as the technical and commercial conditions necessary for the execution of the purchase order have not been clarified in due time. Part shipments shall be permissible.

2.2. The delivery times or delivery dates shall be reasonably extended in the event of any impediment, including impediments to our subcontractors, caused by force majeure, war, imminent danger of war, sequestration, embargo, official measures, strikes, lockouts, plant shutdowns, shortages of raw materials or of factory supplies, scrapping of components with long delivery times and other

unforeseeable circumstances beyond our control, in so far as such impediments have demonstrably decisive effect on the manufacture or delivery of the object to be supplied. Should the execution of the order be seriously impeded by one of the above conditions, then we shall be entitled to rescission of contract whilst at the same time maintaining our legitimate rights, including those arising out of part performance. Claims for compensation by Purchaser arising from such a rescission of contract are excluded.

2.3. Delivery times shall be deemed as having been adhered to if the risk has passed at the very latest on the agreed delivery date.

2.4. In the event of a delay in delivery, we are prepared to pay compensation after expiry of a reasonable period of respite granted to us, and on presentation of proof of damage; such compensation shall be limited to 0,5 % per completed week after expiry of the period of respite, and shall not exceed 5 % in total of the value of the components not delivered on time. No further claims for indemnity or compensation for damages will be considered.

2.5. If shipment is delayed for reasons beyond our control, we shall be entitled to store the consignment at purchaser's risk and to demand compensation for the ensuing storage costs. We shall also be entitled to effect an Insurance against storage risks at Purchaser's expense.

3. Passage of Risk

3.1. Risk passes to Purchaser, even in the case of part deliveries, as soon as the consignment leaves our works or is placed at Purchaser's disposal in our Works.

3.2. Risk passes to Purchaser, even in the case of part deliveries, as soon as the goods are made ready or as soon as notification of readiness for dispatch or for acceptance has been made, in cases where dispatch or handing over is delayed or prevented by circumstances beyond our control.

3.3. In cases where erection and commissioning of the objects supplied are included in the scope of the supply contract, risk passes to Purchaser after completion of commissioning; if commissioning does not take place immediately on completion of erection, then risk passes to Purchaser on completion of erection. If erection is delayed for reasons beyond our control, then risk passes to Purchaser for the period of the delay.

3.4 In cases where Purchaser supplies drives, other machinery components or accessories to us for assembly, we do not carry risk for same and we only insure said components at the express request of Purchaser.

4. Prices

4.1 Prices are to be understood as defined in the order confirmation

5 Payment

5.1 Payments shall be effected in accordance with the terms agreed in the Confirmation of Order. The acceptance by us of any bills of exchange or cheques shall be purely as payment and shall not place us under any obligation to safeguard rights pertaining to bills of exchange and cheques; all expenses connected therewith will be charged to Purchaser. Failure to honour a bill at maturity, or, if payment by instalments has been agreed upon, failure to remit and instalment at due date shall result in the total amount outstanding becoming due.

5.2 We reserve the right to invoice the prices valid on the day of delivery unless something to the contrary has been agreed. In the case of supply contracts made out in foreign currencies, we are entitled in the case of exchange rate fluctuations to claim the maintenance of the original parity obtaining at the date of signature of the contract relating to the price agreement, until the counterpart value has been received by us.

5.3 Purchaser will be considered in default without of reminder if he overruns the contractual due dates of payments. In the event of overdue payment, we are entitled to demand, without prejudice to any other claims, payment of interest on the amount outstanding, starting on the contractual due date of payment, at a rate of 4 % above the prevailing discount rate of the Deutsche Bundesbank (German Federal Bank), but 7 % per annum, at least.

5.4 If information received or other circumstances indicate that our claims and interests arising from the supply contract are jeopardised, we shall be entitled to rescission of contract without any obligation whatsoever to pay compensation and whilst at the same time maintaining our claims arising from part performance, if Purchaser is unable to furnish adequate security within a time limit imposed by us.

5.5 The retention of payments because of complaints about defects or of counter-claims, and the offsetting of such counter-claims is only permissible with our express consent.

6. Retention of Title

6.1 The objects delivered shall remain our property, unless something to the contrary has been stipulated, until complete settlement of all outstanding debts and debts likely to arise in the future in connection with doing business with Purchaser. If the



object supplied is processed into a new article, said article shall become our property proportionately to the value of the object supplied. All claims arising from any resale shall be assigned to us by Purchaser at the present stage already, together with any secondary rights, by way of security. In so far as we do not exercise our right, which remains due to us all times, to collect these claims, Purchaser shall be entitled and under obligation to do so, and to remit the sum collected to us without delay.

6.2 If the retention of title is not valid according to the law of the country of destination, but if said law permits the reservation of other titles to the object supplied, then we shall be entitled to exercise any such titles. Purchaser shall undertake to cooperate with us in taking any steps we may deem necessary for the protection of our property, or in lieu of such right, of any other title we may have to the object supplied.

6.3 Settlement relating to passing of title to Purchaser shall be deemed to have taken place on receipt of the final payment due to us from the entire business connection with Purchaser; payments have to be effected into one of our accounts within the Federal Republic of Germany; no further notification in this respect shall be deemed necessary.

7. Warranty, Liability, Impossibility of Performance of Contract

7.1 We undertake a warranty against any defects in our supplies and performances and against any failure to meet the warranted characteristics and quality which arise within 6 month after the date of commissioning, and at latest 12 months after risk has passed by either carrying out the necessary repairs free of charge on site or in one of our Works, or supplying replacements as far as necessary from our Works, at our discretion, provided that Purchaser notifies us in writing without delay, and on condition that the defect can be proved to have arisen as a result of circumstances prevailing before risk has passed.

7.2 Any parts which have been replaced by new ones automatically become our property and shall be handed over to us on request.

7.3 Any removal and reinstallation of the defective object becoming necessary in order to remedy the defect, including, repeated removal and reinstallation, shall be carried out by Purchaser at his expense. If any transport costs are involved, these shall be borne by Purchaser. If it proves subsequently that the defect resulted from circumstances which arose during the period after risk has passed, then the costs of repairs shall be charged to Purchaser.

7.4 Our Warranty shall automatically lapse if Purchaser carries out alterations or repairs to

the object without our previous consent, or has them carried out by others, also if he does not give us the necessary time and opportunity to carry out such repairs ourselves in proper manner, and furthermore if he fails to perform his obligations under the supply contract, in particular if he falls into arrears with his payments, either in part or in full. We undertake to warrant all replacement parts and repairs in the same way as we warrant the object supplied itself, until expiry of the warranty period.

7.5. As regards any substantial components bought outside, our liability shall be limited to the cession of all the claims due to us versus our supplier.

7.6. Should the repair to be carried out by us prove to be unsatisfactory, or should it not have been carried out at all, or should it either have been carried out unsatisfactorily or not at all after expiry of a reasonable respite, then Purchaser shall first of all only be entitled to claim a price reduction. If no agreement is reached regarding the extent of the price reduction, Purchaser may cancel the contract. Any further claims are excluded.

7.7. All claims out of warranty shall lapse automatically six months after notification in writing of the defect without delay, however not before expiry of the warranty period in accordance with paragraph 7.1.

7.8. We accept no liability for components subject to premature wear on account of the nature of their material or of their mode of use, such as shaft seals and other seals and gaskets, coupling components, drive shafts, pressure gauges and other components made of materials such as rubber, plastic, leather and similar materials. In addition, our liability for defects does not cover ordinary wear and tear and damage caused by inappropriate operating or installation conditions, unsuitable storage, careless erection by Purchaser or third party or faulty maintenance by Purchaser.

7.9. We decline all liability for damage arising as a result of any suggestions, advice, guidance and operating instructions given either before or after conclusion of the contract, including any advice given by our employees and agents; likewise we decline all liability for damage arising from the infringement of other contractual ancillary obligations and of the right of tort.

7.10. In case it is impossible for us to perform the contract due to our fault, Purchaser shall be entitled to cancel the contract. Any further claims are excluded.

7.11. Any liability for indirect or consequential damages shall be excluded.

8. Industrial Property

Should an infringement of the patent rights of third parties arise, and should Purchaser as a consequence be prohibited by legal force to enjoy the usage of the object supplied either wholly or in part, then we shall be entitled at our option and to the exclusion of any further claims either to cancel the contract or to procure the right for Purchaser to use the object at our own expense, or to redesign the object in such a way that it does not infringe patent rights, or alternatively to replace the object supplied by another object of equivalent capability which does not infringe any patent rights. We shall be deemed released from the above obligation and not liable if Purchaser falls to inform us immediately in the event of patent right infringements, and falls to act in concert with us in contesting the patent right claims of third parties. We shall not be liable in cases where we manufacture to Purchaser's own drawings and where patent right infringements are pleaded as a result thereof, or in cases where patent rights which have not also been applied for in the Federal Republic of Germany are infringed.

9. General

9.1. The above Terms and Conditions form an integral part of the contract. Should individual provisions of the contract be invalid, or become invalid, this shall not prejudice the validity of the remaining provisions. The parties will endeavour to achieve the desired economic success striven for by the invalid provision by means of another legally admissible provision.

9.2. On condition that no regulation to the contrary has been made, the Incoterms shall apply to the Interpretation of the trade terms. The contract is subject to German Law. The "United Nations Convention on Contracts for the International Sale of Goods" (CISG) dated 11th of April 1980 and the laws given in execution of this Convention shall not apply. In so far as the provision of the contract entitle to cancel the contract according to this shall be interpreted as the obligation on both parties to return or refund to one another the performances received, to the exclusion of any further claims.

9.3. The place of performance for the deliveries to be furnished by us shall be the place of business of the Works supplying the product concerned. The place of settlement for all payments shall be 68305 Mannheim 31 Federal Republic of Germany. The exclusive jurisdiction for any disputes arising from the contract shall be 68305 Mannheim 31 Federal Republic of Germany. We are also entitled to Institute legal proceedings at Purchaser's principal place of business.