

General Terms and Conditions of Delivery and Payment of Reineke Meß- und Regeltechnik GmbH

§ 1 General

(1) Our General Terms and Conditions of Delivery and Payment, as amended, shall apply to all current and future orders that the domestic or foreign ordering party places with us, unless we have expressly and in writing acknowledged deviations from such terms and conditions. Collateral agreements and subsequent amendments shall only be binding on us if they have been confirmed by us in writing. This shall also apply to a rescission of the clause stipulating the written form. Acceptance of our deliveries and services shall be held to be recognition of our General Terms and Conditions of Delivery and Payment. These General Terms and Conditions of Delivery and Payment shall apply even in the event that we, having knowledge of Terms and Conditions of the ordering party which are conflicting or deviating from our Terms and Conditions, carry out the delivery to the ordering party without reservation.

(2) Any purchase Terms and Conditions of the contracting party shall be binding on us only after we have expressly acknowledged them in writing. The same shall apply to any other General Terms and Conditions of the contracting party.

(3) Agreements made by the ordering party with travelling salesmen, agents and authorized representatives shall only be binding on us upon our written confirmation. Only upon presentation of an authority to collect, shall our agents, authorized representatives and travelling salesmen be entitled to accept cash and cheques.

(4) We shall be entitled to process data of the ordering party that refer to the business relationship with the ordering party in the manner defined by the Federal Data Protection Act.

(5) All agreements made between us and the ordering party with regard to the execution of this agreement shall be laid down in writing in this agreement.

(6) Should our delivery be integrated into a facility for which the ordering party needs to take out an assembly and commissioning insurance or a similar insurance, our delivery is to be included in the insurance cover as a component of the facility.

§ 2 Offer and Conclusion of Contract

(1) Our offers shall be non-binding. A supply contract or other contract shall only be brought about after we have confirmed the customer order or any other order in writing or after we have effected delivery of the goods.

(2) We shall reserve the right to change the manufacturing process and the product composition, to the extent that such action does not lead to a detrimental change in type and quality of the product.

(3) Unless expressly agreed otherwise, details in the form of texts or images published by us in catalogues, brochures and other publications (e.g., descriptions, illustrations or drawings) identify in a final manner the characteristics of the goods delivered by us and their possible use. The information given in this respect constitutes approximate values usual in the industry unless it has expressly been described as binding in the order confirmation. Other manufacturer's information shall not be binding.

(4) Within the customary limits, surplus and short deliveries shall be considered agreed.

§ 3 Prices

(1) Unless a fixed price has expressly been agreed on in writing, the prices applicable on the day of delivery shall be decisive for invoicing.

(2) Unless expressly otherwise specified, all prices shall be net prices excluding turnover tax, the applicable amount of which the ordering party has to pay additionally, and the prices shall apply ex works at our manufacturing location excluding packaging. Unless otherwise specified, the prices are quoted in the European currency (euro). In the absence of a specific pertinent agreement in writing, the deduction of a discount shall not be permitted. Packing shall be charged at cost price and shall not be returnable.

(3) We reserve the right to adapt prices if there is a change in the elements on which our calculation is based. We reserve the right to change prices resulting from a situation in which details with regard to the use of the delivery or with regard to technical data and operating conditions were communicated by the ordering party only after we had submitted our offer and have thus not been taken account of in our offer.

(4) Any discounts granted shall be cancelled in the event of a delay in payment by the contracting party, institution of insolvency proceedings against the assets of the contracting party or rejection of such opening for lack of assets.

(5) A cost estimate for our performance requested by the ordering party shall be paid separately and shall be paid even if the ordering party subsequently does not place the order for or does not call for delivery of the performance.

§ 4 Delivery

(1) Delivery periods (dates) shall run from the date of our order confirmation, not, however, before all technical and commercial details have been unambiguously clarified. The delivery time shall be considered observed when, until expiry of the delivery period, the item has left our plant or warehouse or when the ordering party has been notified of readiness for dispatch, when the goods cannot be shipped in time without any fault on our part.

(2) For periods and delivery dates which have not expressly been described as "fixed" in the order confirmation, the contracting party may grant us, after we have exceeded such periods or dates, a reasonable period of grace for delivery/performance. Only after expiry of such period of grace can we be in default.

(3) Time limits and deadlines shall be extended, without prejudice to our rights arising from delays in payment by the contracting party, by the period during which the contracting party does not meet its obligations to us.

(4) Unforeseeable, exceptional events for which we cannot be held responsible, e.g., industrial disputes, operational breakdowns, measures taken by the authorities, interference with transportation or other events of Force Majeure, regardless of whether these events occur at our place or at one of our supplier's place, shall discharge us from our obligations arising from the respective contract; if the obstacles are of a temporary nature, however, we shall only be discharged for the duration of the hindrance plus a reasonable starting period. If, as a result of such events, later delivery becomes impossible or unreasonable for one of the parties, both parties shall be entitled to rescind the contract.

(5) We shall not be liable for damage caused by delay resulting from a slightly negligent breach of duty unless such breach of duty results in injury to life, limb or health. The above regulations shall not shift the burden of proof to the prejudice of the contracting party.

(6) We shall be entitled to execute partial deliveries insofar as they are acceptable to the ordering party. Partial deliveries may be invoiced separately.

(7) After receipt of a separate written order, we can provide special personnel for installation and commissioning of our equipment. Our separate Terms and Conditions for Assembly, Commissioning and Service shall apply to such provision of personnel. The material for connecting and fixing our equipment is not included in the scope of delivery.

§ 5 Information and Consultancy

Information and consultancy with regard to our products shall be given based on our experience to date. The values provided in this respect are average values that have been determined. Such information or consultancy does not replace the need to perform suitability tests of the goods delivered and to adhere to processing instructions. Oral information shall not be binding. § 10 of these terms and conditions shall apply to a possible liability.

§ 6 Dispatch and Passing of Risk

(1) Unless otherwise agreed, delivery shall be effected ex works. In the event that one of the Incoterms clauses has been agreed on as term of delivery, such clause shall apply in the version applicable at the point in time when the contract was concluded.

(2) Should the goods, at the ordering party's request, be sent to a place other than the place of performance, the ordering party shall bear all costs arising therefrom. After due assessment of the circumstances, we shall be entitled to decide freely about the transport route and the carrier. On receipt of the goods, the contracting party shall report to us immediately in writing any transport damage found, stating the type and extent of such damage. Insurance of the goods against transport damage, transport loss or breakage shall be taken out only at the contracting party's express request at the expense and on the account of the contracting party.

(3) For deliveries ex work, dispatch and transport shall always be effected at the risk of the contracting party. This shall also apply if delivery is effected ex warehouse of a third party (transfer order) and to the return of goods or empties (returnable transport packaging). The risk shall pass to the contracting party (also in the event of partial deliveries) at the moment the consignment has been handed over to the person performing the transport or the consignment has left our warehouse or, in the event of delivery ex works, our works for the purpose of shipment.

(4) Should the dispatch of the consignment be delayed for reasons for which the contracting party can be held responsible, or should the contracting party itself be responsible for the transport of the goods, the risk shall be passed upon notification of the contracting party of the readiness for dispatch. Cost of storage incurred after the risk has been passed shall be borne by the contracting party. Should goods be stored in our works or warehouse the storage costs shall amount to 0.5 % of the invoiced amount per month. We reserve the right to provide proof of higher storage costs. After expiry of a reasonable period without result, we shall be entitled to otherwise dispose of the consignment and to supply the contracting party within a reasonably extended period.

(5) In the event of delivery free house/warehouse (also for partial deliveries) the risk shall pass to the contracting party as soon as the goods have arrived at its business/warehouse and are ready for unloading. Unloading has to be performed immediately and properly by workers and unloading equipment to be made available in sufficient quantity by the contracting party. Waiting times shall be charged by us at amounts customary in the trade. Should the journey to the destination fail for reasons to be attributed to the sphere of risk of the contracting party, the risk shall pass to the contracting party upon the journey having failed. This shall also apply in the event of unjustified refusal of acceptance by the contracting party. § 6 (4) shall apply mutatis mutandis.

(6) Should the ordering party fail to accept delivery or should it infringe any other duties to assist, we shall be entitled, without prejudice to the regulations in § 6, to claim damages incurred by us, including any additional expense. In this case, the risk of accidental loss or of accidental deterioration of the object of purchase shall also pass to the ordering party at the moment at which the ordering party fails to accept delivery.

§ 7 Payment

(1) Payments have to be effected in euro (€) and have to be made free of postage and free of charges. They may only be made to the paying agents specified by us. Bills of exchange and cheques shall be considered payment only after redemption/cashing and will be accepted without obligation for timely presentation and protesting.

(2) Unless expressly otherwise agreed, payments have to be made without deductions within 30 days as of the date of the invoice. Invoices for assembly and repair shall be payable immediately upon receipt without deductions. When terms of payment are exceeded, we shall be entitled to demand interest amounting to 8 percentage points above the basis interest rate (§ 247 BGB (German Civil Code)) p.a.

(3) Any offsetting by the contracting party against counterclaims shall only be permitted if these counterclaims are uncontested or have become res judicata. The maximum amount that the contracting party may claim as a result of defects shall be three times the amount of the expenditure for subsequent performance. If the contracting party exercises its right of retention, the ordering party shall be obliged, at our discretion, to provide security amounting to the unpaid partial amount either by bank guarantee or by depositing such amount with a notary of its choice.

(4) If payment is not made in due time we shall be entitled to:

- immediately assert all claims against the ordering party, which claims arise from the respective transaction or from other transactions, even those claims which have not yet become due;
- withhold supplies or other services arising from the respective order or from other orders until all our claims still outstanding from the respective order or from other orders have been satisfied in full by the ordering party;
- demand appropriate security;
- reclaim the goods supplied by us which are still subject to the reservation of title. If, due to lapse of time, the goods are no longer utilizable or no longer utilizable without restrictions, we shall be entitled to demand value equalization.

(5) If, after entering into the contract, we obtain knowledge of facts evidencing an essential worsening of the contracting party's financial condition, which facts, based on due commercial assessment of the circumstances, may endanger the claim for consideration (which includes, in particular, a petition to open insolvency proceedings), we shall up to the time of its performance be entitled to demand provision of suitable security within a reasonable period, or performance upon consideration. If the contracting party fails to comply with our justified request in due time, we may rescind the contract or claim damages. In this situation, we shall be entitled to call for immediate payment of all amounts, which also includes any amounts for which deferment has been granted.

§ 8 Reservation of Title and Industrial Property Rights

(1) All goods delivered shall remain our property until the remuneration owed for it, including all ancillary claims, has been paid in full. When bills of exchange or cheques are accepted, payment shall only be considered effected after their final redemption/cashing. The ancillary claims include in particular costs for packing, freight, insurance, bank charges, reminder charges, lawyer's charges, court fees and other costs.

(2) The contracting party shall take the conditional goods into customary custody on our behalf. The contracting party shall be obliged to store separately and mark the goods that are our property. We shall be entitled to check at short notice whether the goods are stored separately and marked. If a petition for institution of insolvency proceedings against the assets of the contracting party has been made, we shall be entitled to

immediately mark the conditional goods as our property and/or to repossess them. The contracting party shall be liable for the loss of our goods. The contracting party shall be obliged to insure the goods at its cost for our benefit against all risks, in particular against fire, water and theft. The insurance claims are hereby assigned in advance to us. We are to be notified immediately of any damage which has occurred. Should maintenance and inspection work be required, the ordering party shall perform such work in good time at its own expense.

(3) Handling and processing of the conditional goods shall be performed on our behalf as manufacturer as defined by § 950 BGB (German Civil Code), without binding us. The processed goods shall be considered to be conditional goods as defined by § 8.(1). If conditional goods are processed together with, connected to and mixed with other goods by the customer, we shall be entitled to co-ownership of the new item in the proportion of the invoice value of the conditional goods to the invoice value of the other goods used. If our ownership expires as a result of the goods having been connected or mixed, the customer shall assign as early as now to us the title due to it to the new stock or item in the scope of the invoice value of the conditional goods and shall store them for us free of charge. The co-ownership rights incurred hereby shall be considered conditional goods as defined by § 8 (1). For the purpose of securing our claims against the ordering party, the ordering party shall also assign the claims accruing to it against a third party through the connection of the conditional goods with a piece of land.

(4) Only in the due course of business and as long as the contracting party is not in default, shall the contracting party be entitled to resell, process or connect with other items or otherwise install the conditional goods (hereinafter also referred to in brief as "resale"). Any other disposal of the conditional goods shall not be permitted. We are to be notified immediately in the event of a third-party attachment or other access to the conditional goods. All intervention costs, e.g., costs of an action in opposition to execution of a judgment, brought by a third party who claims title to the attached property in accordance with § 771 ZPO (Code of Civil Procedure) shall be borne by the contracting party in so far as such costs cannot be collected at first request from the third party (opponent in the action) and the intervention was justified. If the contracting party grants its buyer a delay in payment of the purchase price, the contracting party must reserve title to the conditional goods vis-à-vis such buyer on the same conditions on which we reserved title to the delivery of the conditional goods; the contracting party, however, shall not be obliged to also reserve title with regard to claims vis-à-vis its buyer which will only arise in the future. Otherwise the contracting party shall not be entitled to resell the goods.

(5) The receivables of the contracting party from the resale of the conditional goods shall be assigned to us as early as now. They shall serve as security to the same extent as the conditional goods. The contracting party shall only be entitled and authorized to resell the goods if it is ensured that the contracting party's claims arising from this shall pass to us.

(6) If the contracting party sells at a total price the conditional goods together with other goods that were not delivered by us, the assignment of the claim arising from the sale shall amount to the invoice value for our conditional goods sold in each case.

(7) If the assigned claim is included in a current account, the contracting party assigns herewith to us as early as now that part of the balance (including the final balance arising from the current account) corresponding in its amount to this claim.

(8) Until revoked by us, the contracting party shall be entitled to collect the claims assigned to us. We shall be entitled to revocation if the contracting party does not duly meet its payment obligations arising from the business connection with us, or if we obtain knowledge of circumstances evidencing a significant worsening of the contracting party's creditworthiness. If the conditions for exercise of the right to revocation have been met, at our request the contracting party has to immediately communicate the assigned claims and their debtor, provide all information required for collecting the claims, submit the pertinent documents to us and notify the debtor of the assignment. We ourselves shall also be entitled to notify the debtor of the assignment.

(9) If the nominal value (invoice amount for the goods or nominal amount of the claims) of the security existing for our benefit exceeds the secured claims by all together more than 20%, we shall be obliged to release securities at our discretion at the contracting party's request.

(10) In the event that we assert reservation of title, this shall only be considered to be a withdrawal from the contract if we expressly say so in writing. The right of the contracting party to own the conditional goods shall expire if the contracting party does not meet its obligations arising from this or from another contract. This shall apply in particular in the event of a default in payment.

(11) We reserve title to and copyrights of illustrations, drawings, samples and other documents. Without our consent they may not be copied nor made available to others, and, at our request or if the order is not placed, they shall be returned to us without delay.

(12) In the event that our delivery item contains software, we shall retain all rights to the software, in particular copyright or other industrial property rights. We shall only grant a simple right of utilization applying to the purpose of use. The actions specified in § 69 c of the Copyright Act, in particular copying, processing or distribution are subject to our written consent.

(13) In the event that third party industrial property rights are infringed in the manufacture of the products based on type samples or other information supplied by the contracting party, the contracting party shall indemnify us against any and all claims.

(14) In the event that we are not awarded the order, we shall be entitled to request an adequate remuneration for the product samples manufactured by us.

§ 9 Forms, Models, Devices

Should the manufacture of the contractual item require the construction of forms, models and devices, hereinafter referred to as "production items", the following shall apply:

(1) Unless otherwise agreed on, the production items have to be paid separately and in addition to the price agreed on with regard to the contractual items.

(2) The remuneration to be paid for the production items shall become due immediately upon confirmation of the order. We shall be entitled to suspend manufacture of the production items until receipt of the remuneration due for them.

(3) Unless otherwise agreed on, we shall remain owners of the production items. Notwithstanding the provisions in § 9 (4), we commit ourselves to use the production items only for orders placed by the contracting party, provided that the contracting party meets its obligations to pay and to effect acceptance.

(4) We may freely dispose of the production items if the contracting party releases the production items. The same shall apply two years after the last delivery of parts for which the production items have been used, provided we have announced disposal or destruction of the production items to the contracting party, and the contracting party does not oppose such move in writing within two months. In any case, we shall be entitled to dispose of the production items if three years have passed since the last delivery of parts for which the production items were used.

§ 10 Warranty

(1) We shall not accept liability for improper or unsuitable use of the products.

(2) The contracting party shall be obliged to carefully examine immediately on receipt whether the goods delivered are complete and in due condition, even if we had sent type samples or specimens previously. The delivery shall be deemed approved if no notice of defects is received in writing, per fax or e-mail within three working days starting from receipt of the goods at the place of destination, or if it was not possible to recognize the defect during a proper examination, within three working days starting from its discovery. This shall also apply to surplus deliveries. If there are

not complaints about a surplus delivery within three working days starting from receipt of the goods at the place of destination, the surplus delivery shall be deemed approved. Our field staff is not entitled to accept notices of defects in quality or quantity.

(3) In the event of a justified notice of defects the contracting party shall first only have a claim to subsequent performance, which claim, at our discretion, can be met through delivery of faultless products (against return of the rejected goods) or through remedy of the defect. In the event that subsequent performance failed or is unreasonable for the customer (§ 440 BGB (German Civil Code)) or unnecessary because

- we finally refuse subsequent performance,

- we fail to effect subsequent performance by a deadline laid down in the contract or within a certain period, and in the contract the ordering party had made continuation of its interest in the performance conditional upon timely performance, or

- special circumstances prevail justifying an immediate withdrawal on weighing mutual interests (§ 323 par. 2 BGB (German Civil Code)),

the contracting party shall be entitled to reduce the purchase price or, at its discretion, to rescind the contract and to claim damages in lieu of performance or reimbursement of futile expenses in accordance with §§ 10 and 11 of these Terms and Conditions.

(4) We shall bear the expenses required for the purpose of subsequent performance, in particular transport, travelling, labour and material costs. This shall not apply if the expenses increase because after delivery the product was taken to another place than the domicile or place of business of the contracting party, unless such transport is in line with the use of the item in accordance with the regulations.

(5) Should the contracting party accept defective merchandise even though it recognizes the defect, it shall only be entitled to claims and rights in the event of defects if the contracting party reserves such rights based on the defect during acceptance.

(6) Any assignment to third parties of the contracting party's claims based on defects shall be excluded. In the event of notices of defects, payments of the contracting party may only be withheld to an extent which is in reasonable proportion to the asserted defects.

(7) The warranty period shall be twelve months as of the passing of the risk.

§ 11 Liability for Damages

(1) We shall be liable for damages due to injury to life, limb or health in line with the statutory provisions.

(2) In other respects, our liability due to breach of duty and our non-contractual liability shall be limited to intent and gross negligence. Any liability for gross negligence of our employees, members of staff and simple vicarious agent shall be excluded in this context.

(3) The limitation on liability or the exclusion of liability in accordance with § 11 (2) sentence 1 shall not apply in the event of breach of such contractual duties which make the due performance of the contract possible in the first place and adherence to which the ordering party may rely on (so-called cardinal duties or duties essential to the contract).

(4) Liability shall be limited to the damage typical for this type of contract, the occurrence of which damage we had to expect when the contract was concluded based on the circumstances known to us at that point in time.

(5) Any further liability shall be excluded regardless of its cause in law. In particular, we shall not be liable for lack of economic success, lost profit, indirect damage / damage arising not on the subject matter of delivery itself, consequential harm caused by a defect and damage as a result of third-party claims.

(6) The limitations on liability stated above shall apply mutatis mutandis to claims for the reimbursement of futile expenses (§ 284 BGB (German Civil Code)).

(7) Claims for damages directed against us, regardless on what legal ground, shall become statute-barred within two years as of the beginning of the limitation period, latest, however, as of delivery of the item.

(8) The above regulations shall not shift the burden of proof to the prejudice of the contracting party.

(9) This shall be without prejudice to claims for damages in accordance with the Product Liability Act.

(10) Unless limitations on liability in accordance with these General Terms and Conditions of Delivery and Payment encroach on claims arising from the product liability in accordance with § 823 BGB (German Civil Code) because of damage to property, our liability shall be limited to the payment of damages by the insurance. Insofar as this insurance does pay or does not pay in full, we shall be held liable up to the amount of the cover.

(11) To the extent that our liability is excluded or limited in accordance with these General Terms and Conditions of Delivery and Payment, this shall also apply to the personal liability of our employees, workers, members of staff, representatives and vicarious agents.

§ 12 Place of Performance, Venue, Applicable Law

(1) Place of performance for all mutual obligations shall be our registered office.

(2) If the contracting party is a merchant or an entity under public law as defined by § 29 a) par. 2 ZPO (Code of Civil Procedure), exclusive venue for all disputes shall be our place of business as specified in the Commercial Register. However, we shall also be entitled to bring an action against the contracting party at its legal venue.

(3) The relationship between us and the contracting party shall be subject to German law to the exclusion of the United Nations Convention on Contracts for the International Sale of Goods (CISG) and the rules laid down by private international law. In addition, the INCOTERMS shall apply to the interpretation of the contract.

(4) Should individual provisions be ineffective or unenforceable or lose their effectiveness as a result of circumstances occurring at a later date, this shall not affect the effectiveness of the remaining provisions.