

General Terms and Conditions, Hugo Reckerth GmbH

1. General information

- (1) These general terms and conditions apply to business dealings with other companies; they apply exclusively unless other agreements are reached. Unless we have expressly agreed to accept them, we do not recognise any terms and conditions of the customer's company which are contrary to or deviate from these General Terms and Conditions.
- (2) Our General Terms and Conditions also apply in accordance with paragraph (1) in the course of a continued business relationship and to all future dealings with the customer.

2. Offers

- (1) Our offers are non-binding. All documents pertaining to an offer, such as illustrations, drawings, specifications of weights and dimensions, are authoritative on an approximate basis, unless they are explicitly stated as binding.
- (2) The order signed by the customer is binding. We are entitled to accept the contractual offer contained in the customer's order within three weeks of receipt of the same by us through the issuing of order confirmation or through delivery of the goods ordered.
- (3) Our written order confirmation is authoritative for the scope of the delivery. Any additional agreements and modifications to the order must be in written form.
- (4) Our sales personnel and representatives are not authorised to conclude additional oral agreements, give assurances etc. above and beyond the scope of our written order confirmation.
- (5) We retain the right of title and copyrights to all information, in particular illustrations, drawings, cost estimates and other documents made available by us to the customer or third parties. This information may not be passed on to persons other than the customer or these third parties.

3. Prices and payment

- (1) The price specified in the written order confirmation is non-binding. We reserve the right to alter our prices accordingly in the event of reductions or increases in costs occurring after conclusion of the contract, in particular as the result of wage settlements or changes in the price of materials. On request, we will furnish proof of such reductions or increases in costs to the customer. Our prices are quoted without sales tax and are valid ex works and not including packaging. Sales tax at the currently valid legal rate will be listed separately in the invoice on the date of billing.
- (2) The amount of the invoice falls due on handover of the goods or on receipt of the invoice. Cash discounts must be agreed upon in written form.
- (3) Orders for payment, checks or bills of exchange will only be accepted as payment after special written agreement and will only be accepted as payment with consideration of all collection and discount fees.
- (4) The customer can only offset against our payment claims if the counterclaim of the customer is undisputed or in the case of legal entitlement. The customer is entitled to right of lien only in as far as it is based on the same contractual relationship.
- (5) Default interest of 8% above the basic interest rate will be charged. The possibility of enforcement of further claims is not excluded.

4. Delivery and delays in delivery

- (1) Delivery dates and delivery periods must be stated in writing. They are non-binding unless they are agreed upon in writing as binding. Delivery periods commence with conclusion of the contract. Where subsequent modifications to the contract are agreed upon, a new delivery date or delivery period must be agreed upon at the same time where applicable. Adherence to deadlines for deliveries and services on our part is subject to punctual receipt of all information and documents to be provided by the customer, official certification and releases, in particular plans, and the observance of the agreed conditions of payment and the fulfillment of other obligations by the customer. If these preconditions are not met, deadlines will be postponed or extended accordingly.
- (2) Delivery periods will be extended - also within the framework of an existing delivery delay - as deemed reasonable on the occurrence of unforeseen events beyond our volition and our sphere of control despite appropriate care having been exercised on our part, e.g. in the case of the disruption of operations, intervention by the authorities, problems with the power supply or delays in the delivery of essential bought-in parts. The same applies in the case of strikes and lockouts. We are under obligation to inform the customer immediately if such problems occur.
- (3) Delivery deadlines shall be considered as met if prior to deadline expiry the delivery item has left our factory or if we have informed the customer that the order is ready for shipment. If a non-binding delivery date or a non-binding delivery period is exceeded by four weeks, the customer is entitled to write to us requesting delivery within a reasonable period. When the deadline specified in this request has expired, we are in default.
- (4) In addition to delivery, the customer is entitled to claim indemnification for damages resulting from the delay. However, if we or one of our representatives or agents are guilty of acting with intent or gross negligence, our liability in accordance with the legal specifications applying to gross negligence or culpable violation of essential conditions of the contract, in accordance with sentence 5 of this paragraph, is limited to the contractually foreseeable damage. Moreover, our obligation to pay compensation as a result of delay in delivery is limited to a maximum of 15 % of the agreed price (including sales tax) in accordance with sentence 5 of this paragraph. Additional claims from the customer are excluded. These limitations do not apply to liability arising from loss of life, physical injury or damage to health.
- (5) If we fail to deliver on time, the customer is entitled to write to us stipulating a suitable time limit for subsequent performance and informing us that he will refuse acceptance after expiry of this time. If this period of time granted for subsequent performance elapses without delivery being effected, the customer is entitled to issue a written statement of withdrawal from the contract or to demand compensation in place of the performance. Paragraph 4 applies accordingly in the case of claims for compensation in place of the performance. In cases where the period of time granted for subsequent performance expires without delivery being effected and where the customer has announced his intention to refuse acceptance, entitlement to delivery is excluded.
- (6) The customer is under obligation, when requested by us to do so, to state within a reasonable period of time whether, as a result of the delay, he intends to withdraw from the contract or whether he insists on delivery.
- (7) We are entitled to effect part deliveries and part services insofar as this is deemed reasonable for the customer.

5. Handover of the goods

The customer is under obligation to accept the goods delivered by us on the agreed date. The risk of accidental loss or accidental depreciation of the goods shall pass to the customer on delivery. The same is true if the object of sale is shipped from our factory to a location other than the headquarters of the customer by request of the customer and is handed over to the shipping agent, the carrier, or another person commissioned to perform shipping.

6. Liability for defects, other liabilities, limitation of claims

Our liability for significant defects in the delivery, subject to the customer having fulfilled his duty of inspection and notification as per § 377 of the German Commercial Code, is as follows:

- (1) We are entitled to effect compensation for significant defects in the object of sale by means of repair or replacement (supplementary performance), on the condition that we have been appropriately notified by the customer of the defects in question. The costs for supplementary performance will be borne by the customer in as far as these costs are higher due to the object of sale being shipped to a location other than the headquarters of the customer, unless this shipment is in accordance with the intended use.

- (2) If and when supplementary performance is rejected by us seriously and finally or due to unreasonably high costs, if two attempts to effect supplementary performance have failed or supplementary performance is impossible or cannot reasonably be expected, the customer will be entitled, at his choice, to reduce the purchase price (purchase price reduction) or to rescind the contract (rescission). Unless otherwise indicated (paragraph 3), further claims on the part of the customer, irrespective of the legal basis (in particular claims arising from failure to fulfil essential or ancillary contractual obligations, claims for reimbursement of costs with the exception of such in accordance with § 439 II of the Civil Code, unlawful acts or cases of liability in tort) are excluded. These limitations of liability are applicable above all for claims for damages not arising on the delivered item itself and for compensation for foregone profits. These also include claims not resulting from defectiveness.
- (3) Aforementioned exoneration from liability does not apply if the cause of damage stems from wrongful intent or gross negligence on our part or that of our representatives or agents, or at least if an essential cardinal obligation under the contract has been violated due to simple negligence on our part, thus jeopardising achievement of the objective of the contract. In such cases, we are liable under applicable law in the case of gross negligence or culpable violation of substantial contractual obligations, but our liability, in accordance with sentence 3 of this paragraph, is limited to the contractually foreseeable damage. These limitations do not apply to liability arising from loss of life, physical injury or damage to health or to liability under the German Product Liability Act.
- (4) The period of limitation for claims and rights in connection with defective delivery is 1 year from the passage of risk or, in the case of shipment via a shipping agent, carrier or another person commissioned to perform shipping, with handover of the consignment to these. The statutory period of limitation specified in sentence 1 also applies in the case of claims for damages not in connection with a defect. The statutory period of limitation in sentence 1 does not apply, however, in the case of § 438 Section 1 No. 1 of the German Civil Code (Legal Imperfections in Title for Real Estate), § 438 Section 1 No. 2 of the German Civil Code (Buildings, Objects for Buildings), § 479 Section 1 of the German Civil Code (Right of Recourse) or § 634a Section 1 No. 2 of the German Civil Code (Buildings or Works Whose Success Lies in the Performance of Planning or Monitoring Services). Here, the statutory period of limitation is 3 years.
- (5) The periods of limitation specified in paragraph 4 do not apply in the case of malicious intent, fraudulent concealment of defects, claims for damages arising from loss of life or liberty, physical injury or damage to health, in the case of liability under the German Product Liability Act, gross negligence of duty or violation of substantial contractual obligations.
- (6) Where our liability has been excluded or limited, this shall also apply to the personal liability of our employees, workers, representatives and agents.

7. Reservation of title

- (1) We reserve title to all goods supplied until such time as the customer has paid in full all present and future claims arising from the business relationship.
- (2) If the customer violates the contract, in particular by delays in payment, we shall be entitled to recover the goods.
- (3) The customer hereby gives his advance consent to recovery of the goods in such a case. Taking back the goods does not constitute withdrawal from the contract unless we have expressly declared this in writing. Costs incurred by us for recovery of the goods (in particular transport costs) will be borne by the customer. In addition, we are entitled to forbid the purchaser to resell or process the objects of sale delivered under retention of title and to revoke the collection authorisation (paragraph 5). The customer is obliged to handle the objects of sale with due care.
- (4) The customer may neither pledge nor transfer or assign as security the objects of sale or claims arising therefrom. In the event of seizure of the goods or any other encroachments by third parties, the customer is under obligation to inform us in writing without delay, so that a suit can be filed in accordance with § 771 of the German Code of Civil Procedure. Any residual costs incurred by us arising from legal action under § 771 of the German Code of Civil Procedure despite our winning the case will be borne by the customer.
- (5) The customer is entitled to resell, process or combine the purchased goods in the ordinary course of business. However, with immediate effect, he assigns to us all claims to which he is entitled from resale, processing, combining of the purchased goods or on other legal grounds (in particular from the security or fraudulent activities), to the amount of the agreed final amount of the invoice, including VAT. The customer remains entitled to collect these claims even after assigning them to us, without prejudice to our right to collect the claim ourselves. However, we undertake to refrain from collecting the claim as long as the customer meets the payment obligations from the collected revenues, is not in arrears with payment or, in particular, has not filed an application to open insolvency proceedings or suspended payments. If this is the case, however, the customer is under obligation to provide us with details of assigned claims and the respective debtors as well as all details required to collect the claims, surrender to us the associated documents and inform the debtor (third party) of the assignment of the claim. We are entitled to revoke the collection authorisation in the case of contract violations (especially arrears in payment) by the customer.
- (6) The retention of title also extends to the full value of products ensuing from the processing, mixing or combining of goods supplied by us, whereby these processes are to be carried out in such a way that we are considered as the manufacturer. Should property rights of third parties exist in the case of processing, blending or combining their goods, we shall acquire joint ownership proportional to the objective values of the processed goods.
- (7) To secure our claims against him, the customer will also assign to us claims accruing to him against a third party from the combination of the goods supplied with real estate.
- (8) Securities to which we are entitled shall not be accounted for in as far as the value of our securities exceeds the nominal amount of the claims to be secured by 30%.

8. Flat-rate compensation for damages

If we are entitled to compensation for damages or as a result of depreciation in value from the customer, his representatives, or his agents - regardless of the legal basis - we are entitled to demand 20 % of the agreed sum without additional proof as compensation for damages or depreciation.

We reserve the right to assert a higher claim for compensation or as a result of depreciation.

The customer remains at liberty to furnish proof that no damage was incurred by us or that the damage amounts to significantly less than the flat rate of compensation.

9. Final provisions

- (1) All contractual relations between the parties to this contract shall be interpreted solely under the laws of the Federal Republic of Germany, any application of the UN Convention on Contracts for the International Sale of Goods (CISG) being expressly excluded.
- (2) Legal venue and place of fulfillment is the location of our business headquarters. However, we reserve the right to enforce our claims at any other appropriate legal venue.
- (3) If individual provisions of this contract are or become partly or wholly ineffective, the remaining provisions of this contract shall not be affected.
- (4) In as far as the contract or these General Terms and Conditions contain loopholes, the legal stipulations which the partners to the contract would have agreed upon in furtherance of the economic objectives of these General Terms and Conditions if they had been aware of the loopholes shall be deemed to apply.

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