

I. Documents and Drawings

1. Documents pertaining to quotations or otherwise submitted by supplier to purchaser such as but not limited to illustrations, drawings, statements of weights and dimensions as well as prospectuses and promotional literature constitute an approximate guide; these data shall not be binding except to the extent that they are by reference expressly included in the contract.
2. Such documents and drawings remain the exclusive property of the supplier; the purchaser shall not make any copies of them or make them available to a third party. The supplier shall not disclose to a third party any documents and drawings submitted by the purchaser and designated as confidential.

II. Scope of Delivery

The scope of delivery and any other agreements shall be determined by supplier's written order confirmation. Supplementary agreements or modifications will not be binding unless confirmed in writing by the supplier.

III. Prices and Payment

1. Unless otherwise specifically set forth in supplier's order confirmation, all prices are ex works, exclusive packaging of the goods. Value Added Tax, if applicable, will be charged in addition. If not otherwise agreed upon, all trade terms shall be defined in accordance with the Incoterms of the International Chamber of Commerce in force at the date of the formation of the contract.
2. Unless otherwise specifically set forth in supplier's order confirmation, payment terms are as follows:
1/3 down payment within eight days after receipt of supplier's order confirmation
1/3 immediately after supplier's ready-to-dispatch-notice
1/3 within eight days after installation of the goods, but at no event later than 30 days after supplier's ready-to-dispatch-notice.
3. The purchaser is not entitled to withhold any payments, to refuse payment or to set off payments on the grounds of counterclaims which are disputed by supplier.

IV. Delivery Time

1. Supplier may postpone delivery by an appropriate period of time if
 - the purchaser has failed to supply at the required time the necessary or promised documents, permits, releases, information or the like
 - the purchaser delays in making any payment
 - supplier's or his subcontractors' plant is affected by circumstances beyond their reasonable control which result in delay; such circumstances include but are not limited to production hold-ups, strikes and lockouts, faulty materials delivered to supplier, delay in deliveries to supplier and force majeure.
2. Delivery shall be deemed effected when the goods have left supplier's factory or when readiness for dispatch of the goods has been advised to the purchaser.
3. If delivery is delayed or postponed due to circumstances within purchaser's control, the supplier will, effective one month after supplier's ready-to-dispatch-notice, charge the purchaser with the cost accrued for storage, which is at least 0,5 % of purchase price per month in case of storage in supplier's factory.
4. Delivery time will not be of the essence if purchaser does not fulfill his contractual obligations.

V. Passing of Risk and Acceptance

1. The risk shall pass to the purchaser at the latest when the goods are dispatched - in case of part deliveries only with respect to the dispatched parts - even if the supplier has undertaken additional engagements such as paying the cost of transport or installation and start-up of the goods. Upon purchaser's request and at his expense, the supplier will provide transport insurance for the goods.
2. If dispatch of the goods is delayed due to reasons within purchaser's control, the risk will pass to the purchaser at the day of supplier's ready-to-dispatch-notice. However, supplier will provide the necessary insurance coverage for the goods upon purchaser's request and at purchaser's expense.
3. Without prejudice to his rights under section VII, purchaser shall accept delivered goods even though minor defects in the goods should exist.
4. Part deliveries are permitted.

VI. Retention of Title and Security

1. If delivery has been made before payment of the whole sum payable under the contract, the goods delivered shall, to the extent permitted by the law of the country where the goods are situated after delivery, remain the property of supplier until such payment has been effected. If such law does not permit the supplier to retain the property in the goods, the supplier shall be entitled to the benefit of such other rights in respect thereof as such law permits him to retain. The purchaser shall give the supplier every assistance in taking any measures required to protect the supplier's right of property or such other rights as aforesaid.

2. As long as the purchase price is not paid in full, supplier may request that the purchaser at his expense will obtain insurance coverage for the goods against the perils of fire, theft, water, storm and others reasonably requested by supplier. If the purchaser fails to do so or fails to provide reasonable evidence of such insurance coverage, the supplier may obtain the insurance and charge the purchaser with the cost thereof.

3. The purchaser shall not use the goods as a pledge or similar security before they are paid in full. In case of seizure of the goods by purchaser's creditors or similar measures, the purchaser will notify the supplier without delay.
4. If the purchaser does not fulfill his obligations under the contract or is in delay with the payment, the supplier may take back the goods; in this case, the contract as well as purchaser's payment obligations will, however, remain in effect.
5. If the purchaser becomes insolvent or bankruptcy proceedings are commenced, the supplier will be entitled to cancel the contract and to take back the goods.

VII. Warranty

1. The supplier shall be liable for defects in the goods under the following conditions: Condition for any warranty is that the purchaser examines the delivered goods instantly upon receipt and notifies the supplier immediately in writing by a specified report if defects should have been found.
2. At supplier's sole option, defects will be rectified by repair or replacement of the defective parts, free of charge for the purchaser, provided, however, that the defects are due to faulty design, faulty material or poor workmanship. The costs for transport, assembly and installation of replaced or repaired parts shall be borne by the supplier, provided, however, this will not result in an unreasonable or inappropriate burden for the supplier. For replaced or repaired parts, the same warranty applies as for the goods. Exchanged parts become the supplier's property. The purchaser shall be entitled to cancel the contract in the event the supplier definitively proves unable to rectify a defect; in case of minor defects which cannot be rectified, the purchaser's rights are limited to a reasonable reduction of the purchase price. All further claims are subject to section VIII.
3. Warranty period is one year from delivery date.
4. The above warranty does not apply to: goods repaired or modified without the supplier's prior written consent and/or subjected to improper handling, storage, installation, operation or maintenance, including, without limitation, installation, use or application of the goods or any part thereof contrary to the supplier's instructions, use of improper consumables, unsuitable facilities for operation, chemical, electrotechnical or electrical conditions, severe temperatures, normal wear and tear, force majeure or any other circumstances beyond supplier's reasonable control. Goods sold in a used or reworked condition are not covered by any warranty.
5. Examination of a defect by the supplier shall not be construed as an acknowledgement of warranty obligations. Supplier's warranty shall be deemed expired if the purchaser does not grant reasonable and sufficient time and opportunity to rectify defects.
6. THE WARRANTY SET FORTH HEREIN IS EXCLUSIVE AND IN LIEU OF ANY OTHER EXPRESS, IMPLIED, ORAL OR WRITTEN WARRANTY INCLUDING THOSE OF FITNESS FOR PURPOSE AND MERCHANTABILITY.

VIII. Liability

Supplier shall only be liable for losses or damages of any kind whatsoever in any one of the following cases attributable to supplier:

1. wilful misconduct
2. gross negligence of supplier's directors or officers
3. wilful or negligent personal injury
4. malicious non-disclosure of known defects
5. breach of express guarantees as regards the absence of certain specified defects
6. strict liability under product liability provisions
7. breach of essential contractual obligations; in such event, supplier's liability is limited to the extent reasonably foreseeable at the time of the formation of the contract.

IX. Miscellaneous

1. The purchaser may assign his rights under the contract only with supplier's prior written approval.
2. The place of performance shall be Wolfertschwenden/Germany.
3. Any disputes arising from the agreement shall be submitted to the law court competent for the head office of the supplier. Notwithstanding this, the supplier shall also be entitled to file a lawsuit at the place of the purchaser's head office. The law of the Federal Republic of Germany shall apply. However, the United Nations Convention on Contracts for the International Sale of Goods of April 11, 1980 shall not be applicable.
4. The contract shall remain binding even in the event of some of its clauses being ineffective.

(Valid as from 1 June 2002)