

1. Generally

1.1 Only our delivery terms are valid. Terms and conditions of purchasing of the Customer, which are contradict our terms and conditions or which include additional regulations, will not accepted from us unless we particularly agree to validity in written form. Our delivery terms are valid; too, even if we are in knowledge of inconsistent or divergent conditions of the Customer and executing the delivery unconditionally.

1.2 Our delivery terms also apply to all future business with the Customer, even if our conditions are not referred to in the individual case.

1.3 Our delivery terms are only for tradesmen according to §24 AGBG.

1.4 All prices mentioned in our price lists and offers are subject to alteration. Completions of a contract and other agreements, particularly verbal supplementary agreements and assurances of employees and representatives, get only obligatory with our written confirmation. For the delivery our written order confirmation is decisive. The documents like illustrations, drawings, technical data, and measure details being part of the supply are only obligatory for the execution when these were particularly confirmed by us in written form.

1.5 We reserve for us property and copyrights at drawings and other documents and all technical developments (constructions, measure indications and indications of weight, models and the like). The reproduction of objects produced after such documents or of used objects by the customer or third parties is not allowed. The Customer may not accessibly or announce these documents or objects to third parties or duplicate or use these documents or objects without an express consent of the vendor. He has completely and without retention of copies to give these documents or objects back on demand to the vendor.

The system technology and injector technology of PME fluidtec is strictly reserved for use with a PME fluidtec control unit. The use of other controllers is strictly prohibited and will cause the loss of warranty.

A contravention authorizes us to demand failure and full compensation. The Customer is just liable to us for all disadvantages because of a possible violation of rights of third parties by use of the documents left to us by the customer.

2 Prices, Packing

2.1 Our prices are ex works as far as not agreed differently, net exclusively packing and dispatch.

2.2 Costs for freight, packing, insurance, customs and possible taxes by which the delivery is concerned indirectly or directly will be charged to the Customer.

2.3 Provided that we are bound to the repurchase of transportation packing's in accordance with regulations on packaging, the return has to be free of cost carried out to us.

2.4 The charging is carried out on the basis of the sales tax valid at the time of the delivery. A charging of the sales tax is only dropped in the cases in which the prerequisites for a tax exemption of exportation deliveries are given.

3 Payment, delay of payment

3.1 The payment of the purchase price and for rendered services has to be carried out within the agreed period, latest 30 days after delivery by transfer on our account, independently of the receipt of the product.

3.2 Payment orders, checks, bill of exchanges were only accepted after special agreement and only undertaking to pay and by charging all collecting costs and discount charges. The rejection of this payment is particularly left up to Supplier.

3.3 The retention of payments or a setting off is entitled to the Customer only when his counter-claims are stated finally, undisputed or appreciated by Supplier.

3.4 At exceedance of the credit period Supplier is authorized to charge interest in amount of the respective bank rates for overdraft loans, at least but in the amount of 4% above the respective discount rate of the Federal Bank of Germany. The assertion of a further delay damage is left up to Supplier.

3.5 At non-compliance of the payment terms or circumstances having been confessed to Supplier after conclusion which let arise doubt about the payment reserves of the Customer - e.g. unfavourable information, deterioration of the assets, opening of the legal insolvency proceedings or out of court composition procedures or the bankruptcy of the customer, protests of a bill, payment not according to the terms from other conclusions and deliveries etc. - then Supplier is authorized to demand the immediate payment of all his claims. Supplier is then also authorized to execute outstanding deliveries only against advance payment.

If this is not made, Supplier is authorized after an adequate grace period to withdraw of the contract because of non-performance. In addition, he can demand the further disposal and the processing of the delivered product at the expense of the Customer. After settle a deadline and after previous announcement, Supplier is authorized to enter the company of the Customer, to take the delivered product and to utilize it by a free-hand sale by offsetting to the open purchase price less arising costs in the best possible way.

4 Delivery

4.1 Delivery periods and appointments are only nearly valid, unless that Supplier has stated them explicitly and bindingly in writing. The delivery period starts with the day of the order confirmation, however not before clarification of all technical and commercial details as well as submissions of releases etc. and/or receipt of an agreed deposit. Changes in the layout of the delivering object interrupt and extend the delivery period correspondingly.

4.2 The delivery period shall be deemed to be complied if the delivery item has left the work until its expiry or the dispatch readiness is reported.

4.3 The delivery period rests as long as the Customer is with a liability in the delay.

4.4 Partial deliveries are permitted.

4.5 The delivery period shall be extended by a reasonable time in the event of unforeseen obstacles which are beyond Supplier's responsibility, irrespective of whether these occur in Supplier's works or at his sub-suppliers, these being operational problems, strikes, production of rejects, labour conflicts, etc. Supplier shall advise Customer of the commencement and likely end of such circumstances with the shortest possible delay. Further claims because of delay, particularly claims for compensation, are excluded as far as the delay has been caused unintended or by a gross negligence. In the case of gross negligence our indemnity is restricted to the replacement of the damage foreseeable in the time of the completion of the contract.

4.6 In the event that customer grants Supplier who is already in delay for a sustained period, a reasonable period for performance – unless such period is obsolete due to specific terms – and if this period is exceeded not only to an insignificant extent, customer may rescind the contract pursuant to applicable legal provisions. Customer shall notify

Supplier in writing within thirty (30) days from the end of the final period set by him, of his intention to exercise this right.

If shipment is delayed at customer's request, Customer shall be invoiced for the costs caused by storage, commencing one month after notification of readiness for shipment, in the case of storage at Supplier's works at least, however, 1% of the amount of the invoice for each month of storage or part thereof unless Customer is able to demonstrate that the costs incurred are less. Supplier shall nevertheless be entitled to dispose otherwise of the item of delivery after setting and effectless elapse of a reasonable final period.

4.7 The compliance with the delivery period presupposes the fulfilment of the contractual duties of the customer.

5 Transfer of risk

5.1 Unless otherwise agreed, risk shall be transferred to Customer at the moment the item of delivery leaves Supplier's works in Kappel-Grafenhausen, even though the Supplier has contracted to perform other services, for example assumption of shipping charges, delivery and erection. Supplier is not obliged to insure the item of delivery against damages in transit.

5.2 The risk shall also be transferred to Customer in those cases where the goods are ready for shipment and Customer is in delay of acceptance.

6 Reservation of title

6.1 Supplier shall retain title to the item of delivery until receipt of all payments resulting from the contract of delivery. If Customer sells the item of delivery to a third party for financing purposes, he shall undertake to maintain Supplier's right of title vis-à-vis the purchaser.

Until full settlement of all Suppliers' claims for payment resulting from the contract of delivery, Customer's shall herewith transfer to Supplier his claims vis-à-vis his purchaser resulting from the further sale together with all subsidiary rights. Customer shall undertake to notify his purchaser at the moment of further sale of the transfer of claims in respect of the payments for delivery.

Moreover, Customer shall not be entitled, without the prior written consent of Supplier, to either dispose of or pledge the item of delivery, or to transfer title to it as surety. In the event that the item of delivery is pledged, seized or otherwise disposed of by third parties, Customer shall undertake to point out Supplier's reservation of title and to notify Supplier without delay.

6.2 In any case of breach of contract on the part of Customer, in particular delay in payment, Supplier may, after final deadline set for payment has elapsed, rescind the contract of delivery and Customer shall immediately return the item of delivery. Supplier's additional legal claims remain reserved.

7 Warranty

7.1 Subject to the exclusion of further claims, which itself is subjected to Paragraph 8; Supplier shall provide a warranty for defects of the supply as follows:

The warranty period for new items of delivery shall be twelve (12) month from the date of delivery.

For all parts which are shown to be defective as a consequence of a circumstance which existed prior to the transfer of risk, Supplier shall, at his choice, provide subsequent performance by rectifying the defect or by supplying an item free of defects (subsequent performance). The discovery of such defects and the likely effects resulting from those defects shall be notified to Supplier in writing without delay. Parts replaced by subsequent performance shall become the property of Supplier.

For the purpose of subsequent performance, the Customer, following consultation with Supplier, shall provide the latter with the time and opportunity as necessary and permit free access to the item of delivery, otherwise the Supplier shall be relieved of his liability for the consequences resulting therefrom. Only in urgent cases or in order to prevent unreasonably high, directly impending damage, and after consultation with Supplier, the Customer may eliminate the defect himself, or may have same eliminated by third parties, and to request reimbursement from Supplier of the reasonable costs incurred therefor.

In all warranty cases, Supplier shall be responsible for the reasonable costs of subsequent performance including costs of the replacement item, shipping costs and reasonable costs for removal and installation. Customer shall make available, free of charge to Supplier, existing tools and lifting tackle as well as fitters and labour to assist the Supplier in subsequent performance.

No warranty shall be assumed in particular in the following instances:

Unsuitable or unprofessional use or operation, incorrect installation or commissioning by Customer or a third party, natural wear and tear, faulty or careless handling, maintenance not in conformity with specifications or with the operating instructions, unsuitable service products, defective construction work, unsuitable base, chemical, electrochemical or electrical influences – to the extent that these are not Supplier's responsibility. Wear parts are not covered by warranty.

In the event that subsequent performance is carried out by Customer or by a third party in an improper manner, no liability exists on the part of Supplier for the consequences resulting therefrom. The same shall apply to any modifications made to the item of delivery without prior consent of Supplier.

7.2 On delivery of third-party products

On delivery and assembly of third-party products our liability for the delivery and the assembly restricts itself to the assignment of the liability claims which are entitled to us against the supplier of the third-party products merely. The conditions of the third-party company are on request.

8 Liability

8.1 If the item of delivery cannot be used by Customer in conformity with the contract as a consequence of Supplier's negligence in rendering incorrect or incomplete suggestions and advice given prior to or subsequent to the conclusion of the contract, or infringing of other contractual secondary obligations, in particular incorrect or incomplete instructions relating to the operation and maintenance of the item, the provisions of Paragraph 7 and 8.2 shall apply accordingly, to the exclusion of further claims on the part of Customer.

8.2 Supplier shall be liable for damage which has not arisen to the item of delivery itself – no matter what the legal reasons – and subject to exclusion of further claims, only in case of:

- Intent or gross negligence on the part of Supplier's upper managerial staff, or
- Negligent injury to life, limb, health, or
- Defects which Supplier deviously failed to mention or defects the absence of which Supplier has guaranteed.

Supplier shall moreover be liable in conformity with the German Product Liability Act and assures to maintain product liability insurance with reasonable worldwide coverage.

In the event of negligent infringement of core obligations of the contract, Supplier shall also be liable in the case of recklessness on the part of non-managerial employees and in the case of carelessness, in the latter instance limited to the reasonably foreseeable damage typical for such a contract.

9 Period of limitation

All claims on the part of Customer – for whatever legal reason – shall be barred by the period of limitations after twelve (12) month from the date of delivery of the item of delivery. Claims based on Supplier's intentional or devious conduct as well as claims resulting from the Product Liability Act shall be barred by the applicable statutory periods of limitation. The applicable legal periods shall also apply to defects of a civil engineering structure or to items of delivery which are used in accordance with their usual application for a civil engineering structure and have caused its defective condition.

10 Applicable law

The law of the Federal Republic of Germany, as applies to the legal relations of domestic partners to each other, shall apply exclusively to all legal relations between Supplier and Customer. The UN Convention on the International Sale of Goods shall not apply. The exclusive legal venue shall be Freiburg. Supplier shall nevertheless be entitled to open legal proceedings at the registered office of Customer. Place of performance shall be Freiburg.

We shall be entitled to commence any proceedings against the customer at its place of general jurisdiction.

11 Final Provisions

If individual provisions of these general terms and conditions or parts thereof shall become ineffective, the validity of the remaining general terms and conditions shall be unaffected.

The customer rights in relation to any transactions which take place between PME and the customer are not transferable.