

General Terms and Conditions of Sale and Delivery of Hermetik Pump International GmbH

1 Scope of application

- 1.1 Our General Terms and Conditions of Sale and Delivery shall apply to all contracts, supplies and other services inclusive of consulting and assembly services. Quotations, purchase orders, cancellations, modifications and amendments shall require the written form. Agreements of whatever kind, entered into verbally or by telephone, shall require our confirmation in writing in order to be valid. Any conditions to the contrary imposed by the beneficiary shall not be accepted by us unless expressly and individually agreed. Quotations and confirmations of orders submitted by us shall be effective also in cases of submission by electronic data transfer.
- 1.2 We shall reserve all property rights and copyrights to samples, drawings, models and information of any kind. They must not be made accessible to third parties and shall be returned to us at request.
- 1.3 We undertake to disclose the information and records designated as confidential by the customer only to third parties with the latter's approval.
- 1.4 We shall not be responsible for faults and defects resulting from the drawings, performance data or technical information provided by the customer.

2 Prices und payment

- 2.1 Our prices shall be quoted ex works exclusive of packaging, turnover tax, freight or shipping charges respectively, and insurance unless otherwise determined by written agreements.
- 2.2 Prices shall be paid net without deduction and within 30 days' time.
- 2.3 Any setoff against counterclaims shall be permitted only to the extent such counterclaim has not been contested and was established with binding effect.

3 Time limits, periods, acceptance

- 3.1 Any delivery periods agreed shall be extended by the duration of any restraint or interruption upon the occurrence of unforeseeable events not accountable to us and beyond our control, such as e.g. strike, lockout, breakdowns and delays in the supply of base materials indispensable to production, provided that such restraints can be proved to have a substantial effect on the finishing of products. Such circumstances shall also not be accountable to us even if we are already in default.
- 3.2 When the shipment or the acceptance of a delivery item is delayed for reasons attributable to the customer's fault, the latter shall be charged with the costs arising from such delay, beginning one month from the date of notification of readiness for shipment or acceptance respectively.
- 3.3 The risk shall pass to the customer when the delivery item has left our works, irrespective of whether partial shipments are made or we have taken charge of other services, e.g. payment of shipping charges, delivery and erection. The customer must not refuse the acceptance on account of immaterial defects.
- 3.4 Should the dispatch or the acceptance respectively be delayed or cancelled as a result of circumstances that are not accountable to us, the risk shall pass to the customer at the date of notification of readiness for shipment or acceptance- We undertake, at the customer's express request and charge, to underwrite the insurance contracts required by the latter.
- 3.5 In the commercial intercourse, we are entitled to perform and invoice part deliveries and/or partial services within a reasonable scope.

4 Reservation of title

- 4.1 We reserves the property right to the delivery items until complete payment of all accounts receivable from the business relationship between us and the customer, as well as to any future claims as far as they are related to the delivery items. The customer is obliged to store the conditional commodity properly. He is not authorized to transfer the ownership of the goods to third parties.
- 4.2 The customer is obliged to insure the delivery items against theft, breakage, fire, water and other risks at his expense. Should he fail to do so, we are entitled to contract an insurance at the customer's expense.
- 4.3 In case of a behaviour by the customer not conforming to the contractual terms, in particular of default in payment, we shall be entitled to take back the delivery item and the customer is obligated to hand it over. The taking-back as well as an attachment of the delivery items shall be deemed to be a withdrawal from the contract only when expressly declared by us in a written statement. In case of attachments or other interventions by third parties, the customer shall be obliged to notify us in writing without delay.
- 4.4 Any petition for insolvency proceedings shall entitle us to withdraw from the contract and to request the delivery item to be returned immediately.
- 4.5 The customer shall be entitled to resale the delivery items in the ordinary course of business, but he shall already now assign to us all claims in the amount of the invoiced final amount (including value-added tax) accruing to him from the resale against his customers or against third parties, irrespective of whether the delivery item is resold without processing or subsequent to processing. The customer shall be entitled to collect such debt outstanding even after its assignment. Our authority to collect such debt ourselves shall remain unaffected thereby. However, we undertake not to collect the debt as long as the customer duly meets his payment obligations and does not get into default. In such case, we may require the customer to disclose to us the claims assigned and their debtors, provides us with all the information needed for collection, hands over the pertinent records and informs the debtors (third parties) of the assignment.
- 4.6 The processing or transformation, by the customer, of the delivery item shall always be performed on our behalf. If the delivery item is processed in combination with other items not belonging to us, we shall acquire the coownership of the new object at the ratio of the value, at the time of processing, of the delivery item to the other items incorporated. Beyond that, for the item resulting from the processing, the same shall apply as for the conditional commodity.

5 Warranty

By warranty of title and warranty of merchantable quality of the goods s applied, we shall, to the exclusion of further claims, guarantee the following:

- 5.1 Defects in quality
 - 5.1.1 In case of justified complaints, we are free to choose between rectification of defects or substitute delivery. If the rectifications of defect or substitute deliveries fail, the customer shall be entitled to demand the rescission of the contract or a reduction in remuneration.
 - 5.1.2 In the event that our supplies were based on the customer's drawings, specifications, samples or the like, the customer shall assume the risk of suitability for the intended application. The time of transfer of the risk shall be of the essence for the contract-conforming condition of the supply. If acceptance of the goods or first-sample testing has been agreed, a complaint for defects which the customer could have

discovered during careful acceptance or first-sample testing, shall be excluded.

5.1.3 Following a mutual agreement with us, the customer shall be bound to grant us the required time and opportunity to adopt all measures necessary within the scope of our warranty obligation; otherwise, we shall be released from our liability for defects. Only in urgent cases shall the customer have the right, in order to avoid unproportionately great damage, to eliminate the defect himself or through professional third-party experts. He shall inform us in advance and obtain our approval in writing. Only under such conditions shall he be entitled to claim compensation of the resulting necessary costs from us as far as they are commensurate according to the circumstance.

5.1.4 No warranty shall be assumed particularly in the following cases: Unsuitable or improper use, faulty assembly or start-up by customer or third parties, natural wear and tear, faulty or negligent treatment, unsuitable means of operation, faulty construction work, unsuitable construction base, chemical, electrochemical or electrical influences.

5.1.5 In the event of improper rectification by customer or third parties, we shall not be liable for the resulting consequences. The same shall apply to modifications of the delivery items performed without our previously obtained written approval. The onus of proving the proper rectification shall be with the customer.

5.2 Defects in title

5.2.1 Should the use of the delivery items lead to an infringement of domestic industrial property rights or copyrights inside the country, we shall, in principle and at our expense, procure the right to continued use for the customer, or modify the delivery item in a manner acceptable to the customer, so that the infringement of the property right no longer exists. Should this be impossible on financially reasonable terms or in an adequate period, the customer is entitled to withdraw from the contract. On such preconditions, we, too, shall have the right to withdraw from the contract. Beyond that, we shall hold the customer harmless from claims raised by the holders of the respective property right, which were not contested or established with binding effect.

5.2.2 The obligations assumed by us under subsection 5.2.1 shall be complete and final regarding property right or copyright infringements. They shall subsist only on the proviso that - we are immediately informed by the customer of any property right or copyright infringement claim asserted;

- we are supported by the customer on an adequate scale in defending the claims asserted or enables us to realize the modification measures;
- the right to adopt any measures of defence including out-of-court measures is reserved to us;
- the defect in title is not based on an instruction by the customer, and
- the infringement of the right was not caused by the customer modifying the delivery items without being authorized to do so or has used the items contrary to the contractual terms.

6 Liability

6.1 We shall not be liable for damage caused by improper operation and maintenance by the customer.

6.2 For damage not occurring on the delivery item proper, the liability for whatever reason shall be excluded.

- 6.3 In case of negligent violation of material contract obligations, the claim for damages in case of ordinary negligence shall be limited to the reasonably foreseeable damage typical of a contract.
- 6.4 For the violation of accessory contractual obligations, the above-stated principles shall apply mutatis mutandis.
- 6.5 Exempt from any restriction or exclusion of liability shall be claims to damages on the grounds of injury to life, body or health if we are held accountable for the violation of a duty, as well as claims for the substitution of other damage attributable to a violation of duty by deliberate or gross negligent violation of duty on our side or by a legal representative or vicarious agent.
- 6.6 All claims customer - for whatever legal cause - shall become statute-barred after 12 months. For deliberate or malicious behaviour as well as for claims under the Product Liability Act, the legal time limits shall apply.

7 Use of software

- 7.1 As far as software is included in the scope of delivery, the customer is granted a non-exclusive right to use the supplied software including its documentation. It is made available for being used on the delivery item for which it is intended. Using the software on more than one system is prohibited.
- 7.2 The customer is allowed to reproduce, rework, translate or convert the software from the object code into the source code only within the scope permitted by law (Arts. 69 a ssq UrhG[Copyright Act]) The customer undertakes not to remove manufacturer's data - especially no copyright notes - and not to alter them without the supplier's prior express approval
- 7.3 Any other rights to the software and the documentation including copies shall remain with the supplier or the software provider respectively.. A granting of sublicenses is not permitted.

8 Final provisions

- 8.1 The venue for in the commercial intercourse shall be Bochum. Besides, we shall be entitled to choose the general venue of the buyer.
- 8.2 The place of performance shall be Witten.
- 8.3 The legal relationship existing between the parties shall be governed by German law to the exclusion of the conflict of laws provisions and the United Nations Convention on Contracts for the International Sale of Goods (CISG). Unless opposed by our General Terms and Conditions of Sale and Delivery, the trade clauses as defined by Incoterms (2010 version) shall apply complementarily.
- 8.4 Should one or several provisions of the present terms and conditions be or become ineffective, the validity of the remaining provisions as a whole shall not be affected thereby. The same shall apply to any gaps. The parties to the respective contract shall in such case agree a valid provision which corresponds to or comes as close as possible to the economic purpose of the invalid provision(s). In the place of the invalid or unenforceable provision or to fill a gap, an adequate arrangement shall apply which comes closest to what had been intended or would have been intended by the parties according to the meaning and purpose of the contract concerned if they had considered this aspect while concluding the contract or when subsequently incorporating a provision.
- 8.5 Any data obtained during the business relationship shall be saved in files within the company group of Hermetik Pump International GmbH and Hermetik Hydraulik AB and communicated between them. They shall not be disclosed to third parties without authorisation.

