

I. General

1. These Standard Terms and Conditions of Sale and any special agreements concluded with you, the Customer, form the basis for all offers, deliveries and services from us, the Supplier. If the Customer uses its own standard terms and conditions and any of these diverge from these Standard Terms and Conditions of Sale, then such divergent standard terms and conditions shall not become part of any contract, not even when an order is accepted. Objection is hereby raised in advance to any counter-confirmations from the Customer that cite the Customer's standard terms and conditions. These Standard Terms and Conditions of Sale shall, at the latest, be deemed to have been accepted by the Customer when the Customer accepted delivery from us, even if the Customer previously cited its own standard terms and conditions.
2. In the absence of a special agreement, a contract with the Customer is concluded when a written order confirmation from the Supplier can be presumed to have been received.
3. The Supplier retains its ownership and industrial property rights to all samples, cost estimates, drawings and similar information both of material and immaterial nature, including electronic form. This information may not be made accessible to any third party.
4. The Supplier agrees to not to make accessible to any third party any information or documents designated by the Customer as confidential except as the Customer has consented in advance.

II. Prices and Payment

1. In the absence of a special agreement, prices apply ex factory inclusive of loading in the Supplier's factory but exclusive of packaging and unloading. Value added tax in the amount prescribed by law will be invoiced in addition.

2. In the absence of a special agreement, payments can be made with a 2 % discount within 8 days of receipt of the invoice; otherwise they are due in full within 30 days of receipt of the invoice. In the absence of a special agreement, with orders worth over 50,000 euros, a deposit of 1/3 of the order value is due upon receipt of the order confirmation, 1/3 is due upon completion or notification that the goods are ready for shipment and the remaining 1/3 is due in full within 30 days of receipt of the invoice. When these deadlines are not met, interest of 8% above the basic interest rate of the Deutsche Bundesbank (German Federal Bank) is charged in addition to expenditures and costs.
3. Bills of exchange and checks are only accepted on account of payment subject to receipt of the amount due. The Supplier is not obliged to accept bills of payment and checks. If the Customer remains in arrears with part of the payment, the entire remainder of the sales price including any amounts for which bills of exchange have been accepted is due at once.
4. The Customer is only entitled to retain payments or offset them with counter-claims to the extent that the said counter-claims are not in dispute or have been recognized by a non-appealable declaratory judgment.
5. If a significant threat to the claim to the counter-performance to which the Supplier is entitled arises after the contract has been concluded, then the Supplier can demand advance payment or provision of collateral in the amount of the agreed counter-performance by a reasonable deadline and refuse performance until this demand has been met. If the Customer refuses to pay the said advance or provide the said collateral or if the said deadline is not met, then the Supplier is entitled to withdraw from the contract and demand compensation for damages because of non-fulfilment.

III. Delivery Deadlines, Delivery Delays

1. Delivery deadlines are to be inferred from the agreements of the contracting parties. The delivery periods stated by the Supplier do not imply fixed deadlines. Compliance with these deadlines by the Supplier presupposes that all commercial and technical questions between the contracting parties have been clarified and that the Customer has discharged all the obligations incumbent on it such as, to name just two examples, furnishing all required certificates or permits from governmental authorities and rendering an advance payment. If any prerequisites are not met, the delivery deadline will be postponed for a reasonable period of time. The same applies to cases of commercial and technical changes to the order initiated by the Customer. This does not apply insofar as the Supplier is responsible for the delay. Compliance to delivery deadlines is also subject to proper, timely supply to the Supplier itself and provisions by the Customer.
2. The delivery deadline is deemed to have been met if the goods have left the Supplier's factory by the end of the delivery deadline or if the Customer has been notified by then that the goods are ready for shipment. Insofar as a formal acceptance is to take place, the acceptance date serves as delivery deadline except when refusal of the goods is justified; alternatively it is the date of the notification that the goods are ready for shipment that is decisive.
3. If shipment or acceptance of the goods is delayed for reasons for which the Customer is responsible, then the Customer will be charged for the costs that arise due to the delay, starting one month after notification that the goods are ready for shipment or acceptance.
4. If non-compliance with a delivery deadline is to be attributed to force majeure, strikes or other events outside the Supplier's sphere of influence, then the delivery period shall be lengthened by a reasonable amount of time. The Supplier shall notify the Customer of the beginning and end of such circumstances without culpable delay.

5. The Customer can withdraw from the contract without setting a deadline if it becomes permanently impossible for the Supplier to execute all or part of the order before passage of risk to the Customer and if the Customer has a legitimate reason for not accepting delivery of just the part, if any, that can be delivered. If the Customer accepts the available partial delivery, the Customer shall pay the portion of the contracted price that applies to this part. The same applies to incapacity of the Supplier to perform. Moreover, section VIII.2 of these Standard Terms and Conditions of Sale applies. If impossibility or incapacity arises during default of acceptance or if the Customer is solely or almost completely responsible for these circumstances, then the Customer continues to be obliged to render counter-performance in full.
6. If the Supplier comes into default and damages accrue to the Customer as a result, then the Customer is entitled to demand lump sum compensation for default damages. This compensation shall be 0.5% for every full week of delay up to a maximum of 5% of the value of the part of the delivery which it was not possible to use in time or in accordance with the contract because of the delay. If the Supplier is in default and if, in the context of the exceptional cases provided for by law, the Customer grants the Supplier a reasonable deadline for performing but this deadline is not met, then the Customer is entitled to withdraw from the contract in accordance with the law. Claims by the Customer for compensation for damages accruing as a result of default that go beyond the compensation specified in this section are also excluded if the Customer sets a deadline but this deadline is not met.

This does not apply when liability is mandatory by law for cases of intention, gross negligence, loss of life, personal injury or damage to health. All further claims resulting from delivery default shall be determined solely in accordance with section VIII.2 of these Standard Terms and Conditions of Sale.

IV. Passage of Risk, Acceptance

1. All risks pass to the Customer when the order leaves the Supplier's factory. This also applies when there are partial deliveries and when the Supplier has assumed responsibility for other types of performance such as, for example, paying for shipment costs or delivering and setting up goods. If a formal acceptance has been agreed, then all risks pass to the Customer at this time. The formal acceptance must be carried out at the agreed time without culpable delay, or, alternatively, at the time when the Supplier has notified that the goods are ready for acceptance. The Customer may not refuse to accept the goods just because there is a minor defect.
2. If shipment or acceptance is delayed or does not take place due to circumstances that cannot be attributed to the Supplier, then the risks pass to the Customer on the day of notification that the goods are ready for shipment or acceptance. The Supplier agrees to take out insurance at the expense of the Customer in accordance with all such requests by the Customer.
3. Partial deliveries are permitted if they are not unreasonable for the Customer.

V. Retention of Ownership

1. For each contract, the Supplier retains ownership of all goods delivered under the contract until receipt of all payments owed as a result of the contract.
2. The Customer agrees to take good care of all goods owned by the Supplier pursuant to section V.1, to handle them in keeping with their type and to insure them sufficiently against fire, water and theft at the Customer's expense.
3. The Customer is not allowed to sell any of these goods, pledge them or provide them as collateral. The Customer shall notify the Supplier immediately if any of these goods are attached, confiscated or otherwise disposed of by any third party.

4. In the case of conduct on the part of the Customer that is contrary to the contract in respect to these goods, especially if the Customer is in payment default, the Supplier shall be entitled to take them back and the Customer shall be obliged to surrender them. If the Supplier exercises ownership rights in respect to goods owned pursuant to section V.1, including its right to pledge them, the Supplier shall not be deemed to have withdrawn from the contract.
5. If the Customer applies to a court for insolvency proceedings to be opened, this shall entitle the Supplier to withdraw from the contract and to demand immediate return of the goods that it owns pursuant to section V.1.
6. Ownership of goods owned pursuant to section V.1 does not cease if they are processed or combined with other goods to form a new thing; rather, the Supplier then acquires co-ownership of the new thing in the ratio of the value of the original goods owned to the value of the other things that were processed or combined to form the new thing.
7. In the event that the Customer resells or reprocesses goods owned pursuant to section V.1, the resulting claims on third parties are hereby assigned to the Supplier in the amount of the value of the goods so owned.
8. In the event that due to a clause inserted to defend unlawful interference our extended retention of ownership has not become part of the contract, ownership of the goods delivered is still only transferred subject to the condition precedent that the sales price has been paid in full.

VI. Obligation to Accept Deliveries

With an order or call-off order the Customer is obliged to accept the entire quantity delivered. This quantity may differ from the order quantity by as much as 5%.

VII. Warranty

In cases of material defects or defects in title, the Supplier shall be liable as follows under exclusion of further claims subject to section VIII.

1. All parts that turn out to have been defective as a result of a circumstance that lay before passage of risk shall, at the discretion of the Supplier, be repaired or else replaced by new parts. When a part is replaced, it becomes property of the Supplier. The statute of limitations for warranty claims is not extended when a part is repaired or replaced.
2. Upon consultation with the Supplier, the Customer shall give the Supplier the time and opportunity required for the Supplier to undertake all repairs and replacement deliveries that the Supplier deems to be necessary; otherwise the Supplier is released from liability for the resulting consequences. Only in urgent cases of threats to operating safety or of the necessity to ward off disproportionate damages, in which cases the Supplier shall be notified at once, may the Customer remedy the defect or have it remedied by third parties and demand that the Supplier reimburse the expenses necessarily incurred.
3. Insofar as the complaint turns out to have been justified, the Supplier shall bear that portion of the costs resulting from replacement pieces including shipment to the place of first delivery.
4. In the context of the statutory provisions, the Customer has a right to withdraw from the contract if the Supplier, with due consideration being given to the exceptional cases prescribed by law, does not meet a reasonable deadline set for repairs or replacement delivery because of a material defect. When there is just a minor defect, the Customer only has the right to reduce the price to be paid under the contract. Otherwise, the right to reduce this price is excluded.
5. Material defects must be reported in writing by the Customer without culpable delay, at the very latest by the third work day after delivery or transfer. It

is not sufficient to submit a complaint by telephone. The type and scope of the suspected defect are to be stated without ambiguity. Functional measurements are to be checked by the Customer before installation. In the case of a concealed defect, which is one that has remained undetected despite a proper initial examination of the goods, the deadline for reporting the defect is three work days after detection or two weeks after delivery or transfer, whichever is earlier. The requirement that a complaint be submitted without delay pursuant to § 377 HGB [German Commercial Code] can only be excluded if the Supplier has expressly consented.

6. In particular, no responsibility can be accepted in the following cases:
unsuitable or improper usage, incorrect assembly or startup by the Customer or third parties, natural wear and tear, incorrect or careless handling, improper maintenance, unsuitable operating materials, deficient construction work, unsuitable foundation and chemical, electrochemical or electric influences, insofar as the Supplier is not responsible for them.
7. If the Customer or third party repairs improperly the Supplier shall not be liable for the resulting consequences. The same applies to changes to the goods delivered when these are undertaken without the Supplier's prior consent.
8. If usage of the goods delivered leads to violation of industrial property rights or copyrights in Germany, the Supplier shall, at its own expense, normally acquire the right to further usage for the Customer or modify the goods delivered in a way that is reasonable for the Customer and ensures that these rights are no longer violated. If this is not possible at economically reasonable terms or within a reasonable period of time, then the Customer is entitled to withdraw from the contract. Under such circumstances the Supplier is also entitled to withdraw from the contract. Beyond this, the Supplier shall release the Customer from any undisputed or legally established claims of the holders of the said rights.

9. Section VII.8 specifies the Supplier's rights in their entirety subject to section VIII.2 for the case of violations of industrial property rights or copyrights.
10. These obligations only arise if.
 - the Customer notified the Supplier without culpable delay that violations of industrial property rights or copyrights had been asserted,
 - the Customer gives the Supplier reasonable support in warding off the asserted claims and/or carrying out modifications pursuant to section VII.8.
 - the Supplier continues to have the right to conduct all defensive measures including reaching agreements out of court,
 - the defect in title is not based on instructions issued by the Customer, and
 - the violation of rights was not a result of the Customer's having changed the goods delivered without authorization from the Supplier or used the goods in a way that is not in accordance with the contract.
11. The Supplier is liable for delivery of chains or chain wheels that are true to the relevant samples and drawings and are of normal commercial quality with the statutory or technically recognized tolerances being taken into account insofar as the Supplier has not confirmed some other agreement. No liability is assumed for chains or chain wheels being constructively and kinematically suitable for the customer system in which they are installed insofar as such requirements go beyond their actual function as chains or chain wheels. Also, no liability is assumed for the Supplier's planning or construction services.
12. When a report of defect is justified, the Customer may retain a partial monetary amount that stands in a reasonable relationship to the material defect.

VIII. Liability

1. When the goods delivered cannot be used in accordance with the contract because of a fault of the Supplier resulting from omitted or incorrect execution of suggestions and advice issued before or after conclusion of the contract or through violation of other subsidiary contractual obligations, especially instructions for using and servicing the goods delivered, then the agreements of sections VII and VIII.2 apply accordingly and all further claims of the Customer are excluded.
2. With damages other than damages to the actual goods delivered, the Supplier is only liable – for whatever legal grounds – in cases of:
 - intention,
 - gross negligence of the Supplier's owners, organs or executive staff,
 - culpable responsibility for loss of life, personal injury or damage to health,
 - defects that the Supplier has guilefully concealed or the absence of which the Supplier has guaranteed, and
 - defects of the goods delivered insofar as liability must be assumed under the German Production Liability Act for personal injury or material damages to privately used objects.
3. In the case of culpable violation of cardinal contractual duties the Supplier is liable for gross negligence of all employees and for slight negligence too, whereby in the latter case liability is restricted to reasonably predictable damages that are typical of the type of contract in question.
4. Further claims – for whatever legal grounds – are excluded.

IX. Statute of Limitations

All claims of the Customer, regardless of the grounds, become statute barred in 24 months. The statutory limitation periods apply to intentional or guileful conduct and to claims under the German Product Liability Act. These also apply to defects of

a building or other edifice and to delivered goods that have been used for a building or other edifice in accordance with their customary usage and have caused the said building or other edifice to be defective.

X. Choice of Law, Place of Jurisdiction

Resolution of all claims arising in connection with this contractual relationship shall be governed by German law only with the UN Convention for the International Sale of Goods (CISG) being excluded.

Jurisdiction lies with the courts responsible for the Supplier's legal domicile. However, the Supplier is also entitled to file a lawsuit at the Customer's legal domicile.

XI. Severability Clause

If any provision of these Standard Terms and Conditions of Sale is or becomes ineffective, this shall not affect the effectiveness of their remaining provisions. In such a case a regulation that comes as close as possible to the purpose of the ineffective regulation shall apply.

Bad Hersfeld, July 1, 2010.