

GENERAL DELIVERY CONDITIONS SCHUHMACHER TECHNOLOGIES & HYDRAULICS GMBH

I. General

Individually negotiated contract agreements as well as our General Delivery Conditions shall apply exclusively to our deliveries. We do not acknowledge other Terms & Conditions – even if the delivery is fulfilled without reservation. These General Delivery Conditions shall govern all future delivery relationships. The Purchaser expresses his agreement with our conditions at the latest upon accepting delivery of our goods. Differing terms shall not form part of the contract, even if we neither object to these nor if we affect delivery or accept payment without reservation. If after concluding the contract or delivering the goods it is found that the Purchaser is not or is no longer creditworthy, we are entitled to withdraw from the contract or to demand immediate payment of the delivered goods. The assignment of claims requires our consent.

II. Consultation

Any form of verbal or written advice is given to the best of our knowledge based on our experience. Details and information about the suitability and use of our goods outside our sphere are non-binding and do not exempt the Pur-

chaser from conducting their own checks and tests. The Purchaser is responsible for observing legal and official regulations in the use of our goods.

III. Offer, Offer Documents

We can accept orders within six weeks. Our offers are non-binding, unless otherwise indicated in the order confirmation. We reserve property rights and copyrights on all documents that we supply. Disclosure or transfer to third parties requires our written consent. If the order is not granted, all documents must be returned to us immediately by request. Documents belonging to the Purchaser may be made accessible to such third parties to whom we intend to transfer deliveries or services. In principle, orders should be affected in writing; orders placed by phone are executed at the risk of the Purchaser.

IV. Price, Price Changes

1. In principle, our prices apply "ex works" plus the Value Added Tax applicable on the day of delivery, of customs duty, freight, packaging and insurance. VAT is displayed separately on the invoice. The prices apply to the individual order, and shall not apply

retrospectively to future orders. Repeat orders are considered new orders. 2. Price increases are permitted if there are more than three months between the completion of the contract and the agreed delivery date. We reserve the right to increase our prices appropriately, if increases in cost, in particular due to wage agreements, market prices or material prices occur after the contract is completed. These shall be demonstrated to the Purchaser on request. The Purchaser is only entitled to withdraw from the contract if the increase in price substantially exceeds the increase in the general cost of living. 3. If the drawings, patterns, adapters or gauges given with the order deviate from the request and offer, or their creation and/or procurement requires modified processing than was accepted in the request and order, an increase in price is reserved. 4. For small quantities, we reserve the right to add a minimum quantity surcharge to the invoice. 5. Raw material factory certifications can be requested from raw material suppliers and invoiced at cost price.

V. Delivery Scope, Measuring Methods, Property Rights, Data Protection

Our order confirmation is the decisive factor in the content and scope of the contract. Partial deliveries are permissible insofar as this does not result in disadvantage with regard to use. They shall be considered as the fulfilment of independent contracts and must be paid separately. If payment for a partial delivery is delayed, we can suspend further execution of the order. For manufacturing reasons, we reserve the right to execute an over- or under-delivery of up to 10% of the agreed order amount. Technical changes deemed necessary for manufacturing reasons, reasons of product care, legislative requirements or any other reasons are permitted. If the Purchaser becomes aware of any changes, he must notify us immediately if he deems these to be impermissible. For checks in which certain temperatures, times and other measured or control values are to apply, the corresponding measuring methods must be established and acknowledged by both parties before the start of delivery. If nothing is established, our measuring methods shall apply. Orders in accordance with drawings, sketches or other information supplied to us are executed at the risk of the Purchaser. If we intervene in third-party property rights as a result of

executing such orders, the Purchaser shall indemnify us against claims made by third-party rights owners. The Purchaser shall be liable for further damages. We are entitled to process data within the meaning of the Federal Data Protection Act (Bundesdatenschutzgesetz).

VI. Delivery Period and Deliveries

1. The delivery period shall commence at the earliest when the order confirmation is sent. The start of the delivery period specified by us requires the full clarification of all technical queries. Meeting the deadline requires the Purchaser to supply in a timely manner all documents, necessary approvals, clearances, to clarify and approve plans in a timely manner, and to observe the agreed payment conditions and other requirements. If this is not the case, the delivery period will be extended accordingly. The delivery periods specified by us shall be considered approximate. The delivery period will be determined by exercising due care in congruent covering transactions, subject to correct and punctual delivery. 2. The delivery period shall be deemed observed if the shipment is dispatched within the delivery period or readiness for delivery has been announced. If delivery is delayed for reasons for which the Purchaser is responsible, the deadline is considered

met if readiness for shipping is communicated within the agreed period. For call orders, in principle goods are to be called in such a way that the last delivery is effected at the latest one year after receiving the order.

3. If the Supplier is hindered in effecting delivery on account of force majeure, the delivery date shall readily be extended for as long as the effects of said force majeure last plus an appropriate start-up period. Force majeure is defined as unforeseeable circumstances beyond the control of the Supplier, which make delivery unreasonably difficult or impossible for him. Examples of force majeure include: delivery delays from one's own designated suppliers, war, civil war, export restrictions and/or trade restrictions caused by a change to the political circumstances, official measures, a lack of raw materials or energy, fundamental operational disruptions, for example due to the destruction of the entire plant or major departments, or due to the failure of essential production equipment, as well as strikes, labour disputes, lock-outs, operational disturbances, operational restrictions, serious transport interruptions, for example as a result of road blocks, industrial disputes in the transport industry, a lack of energy, or driving restrictions and similar events that make fulfilling the contract impossible or unrea-

sonable. They apply as force majeure and release us from the obligation to make a punctual delivery for as long as they last.

4. Over- or under-deliveries of up to 10% of the ordered and/or confirmed delivery amounts are reserved. Small quantities can arise from the acceptance duty on the part of preliminary suppliers.

VII. Cancellation Costs and Order Amendment

If the Purchaser cancels an order issued, notwithstanding our right to claim higher actual damages, we can claim 10% of the sales price in order to cover the costs incurred in processing the order and loss of profit. The Purchaser has the right to provide evidence of lower damages. All costs arising in association with the order shall be borne at the expense of the Purchaser. In the event of order decreases, we reserve the right to adjust the part price to the actual delivery quantity.

VIII. Packaging

Unless otherwise agreed, we shall determine the type and extent of the packaging. The packaging is selected to the best of our judgement and by taking the necessary care. Disposable packaging shall become the property of the Purchaser.

IX. Passage of Risk and Transport

The risk for our service passes to the Purchaser when materials are transferred to a freight forwarder or carrier, at the latest when leaving our warehouse or supply plant. The packaging, shipping route and means of transportation, unless otherwise agreed in writing, shall be left to our discretion. In principle, deliveries are agreed to be "ex works". Unless otherwise agreed in writing, goods will be shipped via post, parcel service or a freight forwarder of our choice. If our service is impaired on account of force majeure, inevitable circumstances, or circumstances beyond our control before acceptance or on the transport route, we have the right to claim compensation. If goods are damaged or lost during transport, an inventory must be taken immediately and notification sent to us.

X. Disruptions to Service

1. Compliance with our delivery obligations requires the punctual and proper discharge of obligations on the part of the Purchaser. The Purchaser is only entitled to claim damages on grounds of non-performance if the disruption to service, in particular delay, was due to intent or gross negligence. By claiming compensation due to non-performance on grounds of delay and impossibility, the Purchaser is entitled to legal claims and rights. In the case of simple negligence, we shall

be liable only to compensate for damage that is foreseeable and typically associated with the specific transaction. Incidentally, liability is excluded. 2. If dispatch or supply is delayed at the request of the Purchaser, we shall be entitled to charge, subject to evidence of higher damages, storage fees of 1% of the invoice amount for each month started, or a maximum of 6%.

XI. Payment Terms and Default in Payment

1. Our invoices are payable immediately upon receipt. By separate written agreement, we grant a discount sum on payments received within an agreed period from the date of receiving the invoice. The time at which our account is credited is considered decisive in determining the timeliness of the payment. No discount is granted on bills of exchange. All payments are to be made to us free of any charges, at which bills of exchange are only accepted by special agreement. For cheques and bills of exchange, the Purchaser must pay discount, collection and other bank charges even if this has not been expressly agreed. Payments shall first be credited against costs, then against interest and then used to settle the oldest principal debt.

2. We reserve the right to demand security or prepayment. If this is not complied

with, we may refuse delivery. However, the Purchaser is not exempted from his obligation to accept.

3. If payment is late, we can demand default interest at the rate of 5% p.a. above the respective base interest rate according to Section 1 of the Discount Rate Transition Act (Diskontsatz-Überleitungsgesetz). A higher damage caused by default can be demonstrated. The Purchaser shall only be entitled to rights of offset if the counterclaim is uncontested, legally established or acknowledged by us. Neither does the Purchaser have any right of retention on account of contested counterclaims. 4. If we learn that the Purchaser's bill of exchange has been protested, compulsory enforcement measures have been instigated against him or there has been a deterioration in his financial situation, we can immediately demand payment of claims not yet due and such claims for which a bill of exchange or cheque has been presented. In these cases and if due invoices are not paid despite a reminder being issued, we can demand payment in advance or security for future deliveries.

XII. Warranty for Defects

A notice of defects in accordance with Sections 377.378 of the German Commercial Code (HGB) is only deemed timely if it we receive it within a period of five working days,

from receipt of delivery. In the case of hidden defects, this period shall begin as soon as the defect is discovered. The notice of defect does not release the Purchaser from observing payment obligations. Insofar as there is a defect in the goods that we are responsible for, we are entitled, at our own option, to remedy the defect or make a replacement delivery. In the case of remedying the defect, we shall assume the expenses only up to the amount of the purchase price. If the defect is not successfully remedied or the replacement delivery fails, the Purchaser is entitled to statutory rights. Further claims by the Purchaser are excluded, with the exception of intent or gross negligence on our part. Therefore, we are not liable in particular for consequential harm caused by a defect that occurs outside of the delivery item as well as for the Purchaser's loss of profit or other financial losses. In the case of gross negligence, our obligation to pay compensation is limited to typical, foreseeable damage. Product descriptions and product specifications do not constitute any assurance of the properties of the delivery item. This limitation period applies in principle also to claims for compensation referring to consequential damage, insofar as no claims are asserted on account of unlawful acts. The task of protecting the health of our employees

and customers from radioactivity is important. For this reason, by accepting the order, our suppliers are obliged to ensure that no radioactive contaminated materials are produced and supplied throughout the entire supply chain.

XIII. Impossibility, Contract Adjustment, Total Liability

In the event that unforeseen events change the economic importance or content of the delivery or service to a considerable extent, or have a considerable effect on our business, the contract is to be amended. If this is not economically justifiable, we have the right to withdraw from the contract. Insofar as our liability for compensation of damages is excluded or limited, this shall also apply to all claims made by the Purchaser due to a fault at the conclusion of the contract, violation of secondary obligations or claims made by the Purchaser arising from the manufacturer's liability pursuant to Section 823 of the German Civil Code (BGB). The same shall apply in the case of initial inability or impossibility. The limitation of liability shall also apply to the personal liability of our staff, employees, co-workers, representatives and vicarious agents. The customer is responsible for determining legal conformity and observing the laws and regulations applicable in the country of distribution.

XIV. Tools

Tools and special facilities manufactured by us and paid for by the Purchaser shall pass into our ownership and shall also remain in our possession. We may use such tools and special facilities for other customers, or scrap them, if the Purchaser has not accepted any goods manufactured through using them for three years. In this respect, the Purchaser waives the right to claim compensation.

XV. Retention of Title

We shall retain ownership of delivery until such time as all claims arising at the time of concluding the contract are settled, including all claims arising from follow-up orders, repeat orders or spare parts orders. If the Purchaser is in breach of contract, in particular through default of payment, we are entitled to claim return of the delivery. Our withdrawal or seizure of the delivery does not constitute a withdrawal from the contract, unless we expressly confirm this in writing. We are authorised to effect a resale, and the proceeds of the sale are to be credited against the obligations of the Purchaser, after deducting appropriate utilisation costs. The Purchaser is obliged to treat deliveries with due care. In particular, he is obliged to insure these against damage caused by fire, water, storms, burglary or theft, adequately and at the original value, at his own ex-

pense. Security claims arising in the event of damage are to be assigned to us. Insofar as maintenance and inspection works are required, the Purchaser must carry these out punctually and at his own expense. The Purchaser may neither pledge nor assign by way of security the delivery items. The Purchaser must notify us without delay in writing in the event of seizures of interventions by third parties, providing us with all the information and documentation necessary for safeguarding our rights. Executory officers and/or third parties are to be informed of our ownership. If a third party is unable to reimburse us the judicial and extrajudicial costs, the Purchaser shall be liable for the loss incurred by us. The Purchaser may resell the purchase items in the ordinary course of business. Even at this stage, he assigns to us all claims to the amount of the final invoice sum including Value Added Tax, which arise from resale to his customers or third parties, and irrespective of whether the item has been sold without or following further processing. We accept the assignment. In the case of a current account relationship between the Purchaser and his customers, the claim previously assigned to us refers to the recognised balance as well as to the "causal" balance then existing, in the event of the customer's bankruptcy. The Purchaser may

also collect the claims after assignment. Our authority to collect the claim ourselves shall remain unaffected by this. We will not collect the claim ourselves, as long as the Purchaser continues to meet his payment obligations from the collected proceeds, is not in default of payment and does not file for bankruptcy or composition proceedings, or cease to make payments. The processing or transforming of the delivery item by the Purchaser is always performed on our behalf. If the item is processed with other items that do not belong to us, we shall acquire co-ownership of the new item proportionally to the value of the delivery item to the other processed items at the time of processing. In respect of the item resulting from such processing, the same provisions shall apply as to the items delivered subject to the reservation of property rights. If the mixing occurs in such a way that the Purchaser's item is to be regarded as the main item, it is agreed that the Purchaser shall assign proportional co-ownership to us. The Purchaser shall maintain the sole ownership or co-ownership created in this manner for us. The Purchaser shall also assign to us the claims that secure our claims against him, which arise from connecting the delivery item with a property against a third party.

XVI. Jurisdiction, Place of Performance

1. For commercial dealings, the place of fulfilment is agreed as Spaichingen. We can also sue the Purchaser at the court that has jurisdiction at the place of his registered office. 2. Unless otherwise established in the contract or order confirmation, our registered office is also the place of fulfilment. 3. German law applies to all legal issues between the Purchaser, even when his registered office is located abroad, and us, excluding the UN Convention of the International Sale of Goods.