

Translation from the German

Standard Terms and Conditions of Sale and Delivery

I. Applicability

These Standard Terms and Conditions of Sale and Delivery shall apply unless we have explicitly stipulated otherwise in writing with the Customer. They shall also apply to any and all future transactions we enter into with the Customer. They apply furthermore to all covenants for the purchase of merchandise, work, or goods and services within the scope of the entire – present and future – business relationship. We shall not be bound by deviating terms and conditions of the Customer which we have not explicitly acknowledged in writing, even if we have not expressly objected to same.

II. Offers

1. All offers which we submit are subject to confirmation and provided free of charge unless otherwise provided for in the offer or a prior agreement.
2. The documentation accompanying the offer, including but not limited to illustrations, drawings, weights and lengths, represents reference values only unless same have been explicitly designated as binding.
3. Our contracts are entered into under the express reservation that our own supplies are delivered in due time and in full.
4. The order confirmation we send to the Customer represents a binding obligation upon both parties thereto unless the Customer immediately notifies us of explicit objections.
5. The standard trade terms shall be interpreted in accordance with the INCOTERMS in the wording valid at the date of the contract in question.

III. Plans and technical documents

1. We reserve the title and copyrights to any and all plans and documents which we provide to the Customer. The Customer shall treat any plans and documents which it receives from us as confidential and shall not make same available to third parties without our explicit written consent.
2. We reserve the right to make changes in the specifications upon which an order is based in the event that same does not detract from our performance and the quality of the goods or services supplied.

IV. Delivery Period, Delivery Date

1. The delivery period is deemed to have been approximately agreed. The delivery period commences with the date of our order confirmation, yet not prior to complete clarification of all the details of the order and the production of all documentation, permits and releases to be provided by the Customer, and not prior to the receipt of any advance payment(s) agreed. Nor shall the delivery period commence prior to any mandatory permits or certificates being issued by the respective national or international authorities.
2. The delivery period or stipulated delivery date are deemed met if the goods have left the plant/warehouse by the close of the delivery period or, given a shipping option, the goods have been reported as ready for shipping. In the event of delivery before the due date, the actual date and not the originally stipulated date shall apply. The reservation applies that our own supplies are delivered in due time and in good order.
3. In the event that, to facilitate our completion of the order, the Customer is to supply to us construction documentation/plans or is under obligation to otherwise provide assistance or procurement, our obligation to comply with a delivery term or a delivery date shall be contingent upon the performance of said contractual obligations on the part of the Customer. The delivery period or delivery date shall be extended or, as the case may be, postponed – notwithstanding our rights based on a default of the Customer – by that length of time during which the Customer is in default as pertains to Customer’s obligation to us.
4. In the event that we are unable to comply with a delivery period or a delivery date on grounds that qualify to discharge us from our obligations, then such period or date shall be appropriately extended or, as the case may be, postponed. In the event that delivery periods or delivery dates have already expired, a new, appropriate delivery period shall apply in their stead. Grounds constituting discharge are deemed given if our performance of the contract is delayed by an event which occurs subsequent to the signing of the contract and is not foreseeable prior thereto and which lies outside our sphere of influence. Grounds constituting discharge may include but are not limited to, for example:
 - natural catastrophes,
 - fire,
 - intervention by a public or governmental authority,
 - statutory prohibition,
 - lack of means of transport,
 - a general lack of supplies,
 - limitations on energy consumption,
 - delayed supply of essential raw materials or semi-finished goods, or
 - measures related to labor disputes.

5. Delays not based on fault do not entitle the Customer to withdraw from the contract or demand compensation for damages.
6. In the event that we are in default as pertains to delivery or performance and the Customer has demonstrably suffered damages as a result thereof, the Customer shall be entitled to demand compensation from us for the damages caused by the delay; per full week of delay, same shall be up to 0.5% - not, however, to exceed the sum of 5% - of the value of that part of the total performance which could not begin operation due to the delayed completion or supply, unless the proven damages are less. This limitation shall not apply if the delay is attributable to intention or gross negligence on the part of our corporate agents, managerial staff or vicarious agents.
7. In the event that we are in default with a delivery of goods or services, the Customer furthermore has the right to withdraw from the contract and to demand compensation for damages in lieu of performance (Schadenersatz statt der Leistung) in the event that we have culpably failed to comply within a reasonable grace period fixed by the Customer. We shall be liable for the damages caused by non-performance up to the maximum set forth in No. 6.
8. In cases in which the delivery or other performance is dependent upon the issuance of an export license or other public permit, we shall be discharged from our obligation to supply goods or services if, for reasons for which we are not responsible, the required permit is not issued or is revoked.

V. Acceptance

1. If acceptance is required by law, acceptance shall be deemed given if the Customer has not given notification that it is refusing to take delivery and cited the reasons for same immediately upon receipt of the goods or services delivered or, in the event that we have assumed the installation, immediately upon termination of the trial run of our equipment.
2. The Customer only has the right to demand a formal acceptance test if same is expressly stipulated in the contract.
3. In the event of a formal acceptance test, acceptance is deemed given if the Customer fails to submit written notification of justified complaints immediately subsequent to the termination of the inspection.
4. The costs incurred for personnel and material for the acceptance test shall be borne by the Customer. Same are to be computed on the basis of actual cost.
5. In the event that the Customer does not conduct a formal acceptance test as stipulated or fails to attend the acceptance test despite being informed in good time, our test shall be deemed to constitute acceptance.

6. In the event that an acceptance test is delayed for reasons beyond our control, any and all additional costs incurred shall be borne by the Customer.
7. In the event that acceptance is contingent upon a certificate being issued by a supervisory authority or classification society, same shall be deemed given even if, for reasons beyond our control, the certificate in question has not been submitted within one (1) month of delivery or, as the case may be, the trial run.
8. Notwithstanding further claims, in the event of delayed acceptance on the part of the Customer, we have the right to charge to the Customer any costs incurred for storage subsequent to the stipulated date of acceptance; in the event of storage in our facilities, of at least ½ % (one-half percent) of the invoice value for each month which has begun unless the Customer proves that we suffered no or lesser damages.

VI. Shipping, Insurance and Installation

1. The goods are supplied ex works at Customer's risk. We shall inform the Customer of the time of delivery in writing and in such good time that the Customer is in a position to make the necessary arrangements.
2. Even if we have assumed the shipping voluntarily or by way of a contractual obligation, the risk of accidental loss or deterioration shall pass to the Customer once we deliver the goods to the person carrying out the shipment.
3. Unless otherwise expressly agreed, it is the responsibility of the Customer to take out transport insurance, if any.
4. Should delivery include installation, the risk shall pass with the beginning of the day following the end of installation (takeover in the Customer's plant); or, in the event that a trial run has been stipulated, following a flawless trial run. Should the trial run at the Customer's plant be delayed by more than fourteen (14) days despite being installed and ready for operation, the risk of accidental loss or deterioration shall pass to the Customer at the expiration of such fourteen-day period.

VII. Payments

1. The Customer shall make payments in accordance with the agreed terms. Unless otherwise specifically agreed, invoices shall be payable immediately upon receipt.
2. The contract price shall apply unless otherwise specifically agreed, ex works and exclusive of loading and packaging.
3. In the event that the Customer is in default in terms of its payments or other obligations, or in the event that, subsequent to the signing of the contract, the threat of insolvency or over-indebtedness or other impairment to the assets of the

Customer becomes evident which might jeopardize our claim to counter-performance or the fulfillment of the Customer's other obligations, we shall have the right to postpone the steps necessary to perform our own obligations until the overdue payments are made or the other respective obligations of the Customer are performed. In such event, the delivery period shall be extended appropriately.

4. In the event that the Customer is in arrears with payments, we are entitled to demand penal interest at a rate of 8% (eight percent) above the basic interest rate as defined in Section 247 Para. 1 of the [German] Civil Code [*Bürgerliches Gesetzbuch*]. We are furthermore entitled to fix an appropriate time limit for the Customer to make payment. Upon the expiration of such period, we have the right at any time to withdraw from the contract and reclaim any services performed or demand partial compensation.

This shall not affect any additional claims to damages.

5. The Customer is prohibited from offsetting alleged counterclaims unless same are uncontested or have been ruled final by a court of law.

VIII. Retention of Title

1. All goods delivered shall remain our property until that time at which all of our claims against the Customer based on our business relationship with the Customer shall be paid in full (goods subject to retention of title).
2. Any processing or finishing of the goods delivered subject to retention of title shall be deemed performed for us as producers in accordance with the definition of Section 950 of the [German] Civil Code [*Bürgerliches Gesetzbuch*] without any further obligation on our part. In the event that the Customer should process, combine or commingle the goods subject to retention of title with other goods, we shall retain co-title to the new commodity at the ratio defined by the proportion between the invoiced value of the goods under retention of title and the invoiced value of the other goods used. In the event that our property perishes in the combining or commingling, the Customer hereby transfers to us its legal title to the new stock or commodity in the invoiced amount of the goods under retention of title and shall safeguard same for us free of charge. In such event, we hereby declare our acceptance to such transfer of title.
3. The Customer may resell the goods under retention of title in the normal course of business under the condition that its receivables from such resale shall pass to us. Customer's receivables from the sale of the goods under retention of title are deemed assigned to us at this time. We hereby accept such assignment.
4. In the event that the goods under retention of title are sold by the Customer together with goods not supplied by us, the assignment of the receivable from such resale shall apply only in the still outstanding amount of our invoice for the goods under retention of title sold in the given case.

5. The Customer is under obligation to inform its customers immediately of the assignment to us and to provide any and all information and documentation which we may require to collect the receivables.
6. In the event that the value of the existing securities exceeds our secured claims by a total of more than ten percent (10%), at the request of the Customer we are under obligation to release corresponding securities of our choice.
7. The Customer is not entitled to pledge the delivered goods or transfer same by way of security. In the event of a seizure or other infringement of our rights by third parties, the Customer shall notify us immediately and provide any and all information required to safeguard our rights.

IX. Warranty for Defects in the Delivered Goods

- A. In respect to the delivery of new goods produced
1. Notwithstanding Nos. 11 and 12, under the warranty we are required to provide supplementary performance only. Our warranty is limited to those defects in the delivered goods which exist at the passage of risk or can be proven to have been incurred during the warranty period, given normal operating conditions and proper use, by a cause existing prior to the passage of risk.

The warranty shall not apply to defects based on but not limited to the following:

- defective installation or operation start-up by the Customer or a third party appointed by the Customer,
 - defective maintenance or handling,
 - unsuitable or improper use,
 - excessive strain,
 - unauthorized repairs performed by the Customer or third parties appointed by the Customer,
 - normal wear and tear,
 - non-compliance with the existing statutory and government regulations for the operation and handling of the delivered goods and the directions and instructions for use as prescribed by the supplier,
 - an unsuitable location or site, as well as chemical, electrochemical or electrical influences.
2. Supplementary performance shall, at our discretion, be comprised of the repair of the defective part, the delivery of a replacement part, or new delivery.

3. Our warranty period shall extend for a maximum of twelve (12) months beginning with the delivery or, as the case may be, acceptance.
4. When performing work under the warranty, we have the right to make constructional changes if same are required to remedy the defects.
5. The warranty shall not apply to defects which are attributable to materials or products supplied or cleared by the Customer or to a construction prescribed by the Customer.
6. Within the scope of the warranty, we shall not be liable for consequential damage to the Customer's equipment or to definable individual parts of the delivered goods caused by a defect (Mangelfolgeschaden).
7. Parts which we have repaired and replacement parts which we have supplied based on our warranty obligations, as well as new deliveries made under such warranty obligations, shall be governed by the same contractual provisions as those applicable to the original item. We shall retain or obtain title to any parts replaced in accordance with Clause VIII. The new warranty period for replaced or repaired parts shall commence at that point in time at which the Customer is able to commence operation using the goods under warranty after the defect has been remedied. As applies to other parts of the goods delivered, the warranty period shall be extended by the period during which the delivered goods were out of operation as a result of the defect.
8. The Customer can call upon our performance of the warranty obligation if the Customer has informed us immediately and in writing of the defect and given us reasonable opportunity to determine and remedy the defect. At our request, the Customer is under obligation to send us the defective part at our expense. The Customer is further under obligation to install the repaired part or replacement parts at our request.
9. In the event that the location of the rectification of the defect or the place of repair is located outside Germany, we shall assume the transport, installation and other costs to the extent they would have been incurred had the remedy been performed in the inland.
10. The Customer is entitled to remedy the defect at our expense if we are in agreement or if we fail entirely to meet – or fail to properly meet – our warranty obligation within a reasonable period despite a reminder by the Customer or if the immediate rectification of the defect is necessary to avoid disproportionate major damage. In the event that the Customer is accordingly entitled to remedy the defect itself, we shall reimburse the costs the Customer thereby incurs in a sum not, however, to exceed that had we performed the repair. In the event that the Customer remedies the defect itself without being so entitled based on these provisions, we shall to this extent be released from our warranty obligation. At

our request, the Customer shall be under obligation to rectify minor defects itself at our expense.

11. In the event that the Customer has given us a reasonable period within which to rectify the defect and we are in default as to such rectification, the Customer has the right to reduce the purchase price or compensation for work unless we have been temporarily prevented from performing our warranty obligation on grounds that justify a discharge from our obligation of the type cited in Clause IV, No. 4. above.
12. In the event that a second attempt of remedy on our part is unsuccessful, the Customer shall also have the right to withdraw from the contract in addition to its right to reduction. All further claims, particularly for damages, are excluded.

B. In respect to the delivery of used goods delivered

The sale of used goods shall be governed by the warranty terms set forth under Section A under the following conditions:

a.) (Sale of reworked or overhauled used goods)

In the event that the Customer purchases used goods which we ourselves or third parties acting on our behalf have either reworked or overhauled, the warranty shall extend solely to those defects which are attributable to defective reworking or overhauling of the used goods. Such warranty shall nonetheless be limited to the right to rectification according to Clause IX A. No. 1. In the event that such remedy is unsuccessful, the Customer – in deviation from Clause IX A. Nos. 11 and 12 – shall be entitled solely to reimbursement of the costs of remedy performed elsewhere.

In contrast, defects which occur based on the wear and tear and prior use of the used goods are excluded from any and all warranty claims.

b.) In the event that the Customer has purchased used goods which we ourselves or a third party acting on our behalf have previously either reworked or overhauled, we hereby assign to the Customer any and all warranty claims to which we are entitled against such third party due to the defective reworking of the used goods. The Customer hereby accepts such assignment.

c.) In other respects, any and all defects in used goods, particularly used replacement parts, are excluded from the warranty.

- C. The limitations and exclusions of the warranty pursuant to Sections A and B above shall only apply if our fault is not attributable to intention or gross negligence on the part of our corporate agents, managerial staff or vicarious agents.

X. Liability, Damages

In the event and to the extent that our liability does not follow from these Terms and Conditions or written agreements with the Customer, we shall not be liable. We shall therefore particularly not be liable for the breach of non-performance-related collateral obligations, the commission of tortious acts, or for consequential damages resulting from the absence of a warranted characteristic.

This shall apply only in cases in which our fault is not attributable to intention or gross negligence on the part of our corporate agents, managerial staff or vicarious agents. Claims of the Customer based on the [German] Product Liability Act [*Produkthaftungsgesetz*] shall not be affected by this limitation of liability.

XI. Written Form

The cancellation of this contract or any amendments or supplements thereto, as well as all legally relevant declarations of the parties hereto, must be made in writing.

XII. Validity

This contract and these provisions shall remain in effect even if individual provisions prove invalid.

XIII. Jurisdiction and Applicable Law

The exclusive place of jurisdiction for all disputes arising from and in connection with this contract shall be Magdeburg. However, in deviation from Sentence 1, we have the right to bring legal action against the Customer at its place of business as well.

This contract and, specifically, its interpretation shall be governed by German law. The applicability of the UN Sales Convention (CISG) is expressly excluded.