

General Conditions of Sale, Delivery, Installation and Service of MICROHANDLING Handhabungsgeräte GmbH (hereafter referred to as „MH“)

1. The binding nature of these Conditions; Closing the Contract

These General Conditions of Sale, Delivery, Installation and Services form an integral part of each and every contract, even if the contract is concluded in the future. Delivery is made and services are carried out by MH only on the basis of the following conditions, if the parties do not agree otherwise in writing. Any and all terms and conditions – including those of the contract partner -, if not explicitly accepted by MH in writing, are not binding for MH, even if MH does not expressly reject them. For the purpose of these General Conditions the term „in writing“ includes also all communication between the parties by means of telefax and telegram. Offers of MH are always understood without engagement and are subject to change without notice. The contract is concluded only once the order is confirmed by MH in writing.

2. Prices, Technical Data and Technical Documentation

If not agreed otherwise, prices cover delivery ex works MH without packing, loading, dispatch as well as without transport insurance. If delivery franco domicile is agreed upon, prices do not cover unloading or transport into a building. If applicable, value-added tax will be added to the respective prices.

All information on prices or technical data contained in catalogues, brochures, leaflets, circular letters, advertisements, illustrations, price lists and the like are only binding for MH if referred to explicitly in the order confirmation. Diagrams, drawings, sketches or other technical documentation as well as samples, catalogues, brochures, leaflets, illustrations and the like remain the sole and exclusive intellectual property of MH under the protection of the relevant laws and regulations regarding reproduction, imitation, competition, etc. MH explicitly reserves the right to replace offered materials by equivalent substitute and to introduce constructional and design-oriented modifications, also with respect to software.

If customer cancels already confirmed orders during a period less than 60 days before delivery, the customer is obliged to pay a manipulation fee of 30 % of order value; in case of cancellation during a period less than 30 days before delivery this manipulation fee amounts to 50 % of order value; in case of specially manufactured items these liquidated damages amount to 30 % during a period less than 180 days before delivery, less than 120 days before delivery 50 % and less than 60 days before delivery 80 % of order value. MH explicitly reserves the right to claim additional damages.

3. Delivery Time

Delivery time must always be considered as approximate, if not agreed otherwise in writing. All and any events which are outside the foresight or control of MH, such as labour disputes, government intervention, major traffic obstacles, delays in transport or customs clearance, transport damage, energy shortage, etc. release MH during their duration from ist obligation to deliver or to render services, even if these events occurred at suppliers of MH or at their suppliers. If these event cause delivery or rendering of services to be impossible, MH's obligation to deliver or to render services terminates completely.

In cases of a delay in delivery or delay in rendering services attributable to MH, the customer can only demand completion or, after stipulating an adequate period of grace to fulfill, withdraw from the contract. The withdrawal will only be effective if MH negligently fails to deliver or to render services within the period of grace. MH may carry out and invoice for partial deliveries.

4. Completion and Transfer of Liability

If not agreed otherwise, delivery of products or spare parts is completed, when the written notification that the order is ready for shipment has reached the customer; when rendering services at the conclusion of the ordered works. The obligatory final acceptance of the products at the customer does not postpone the date of completion. If there are any delays not attributable to MH, the date of completion becomes the date when the notification of readiness for shipment was sent; in this case storage will be made at the expense and at the risk of the customer. The place of completion for deliveries, services and payments is either the place designated in the contract or the headquarters of MH.

Generally, transfer of liability is determined according to the terms agreed upon in the contract. For lack of such determination liability passes to the customer on the date of completion, even if partial deliveries are carried out or MH undertakes to fulfill additional obligations, such as costs of shipment or customs clearance or installation or training.

5. Acceptance by the customer

Final acceptance of the products at the customer has to happen immediately after the installation of the products by MH or after the conclusion of a trial run which may have been agreed upon. The protocol of final acceptance will be put down together in writing. It may contain any reservations because of known defects.

The Customer may refuse final acceptance only in case of major defects until the same are remedied. In case the customer does not carry out final acceptance in time or refuses it unreasonably, final acceptance is considered to be carried out after expiry of the time period and at the dates above mentioned. If the customer makes use of products or parts thereof, final acceptance is considered to have taken place at that time, if not agreed otherwise.

6. Warranty and Damages

In case of defects of products or services due to faulty construction, material or workmanship the warranty of MH is set out according to the following provisions and limitations:

- a) The Customer needs to have fulfilled all of his obligations arising out of the contract including its implied obligations;
- b) If not agreed otherwise, the warranty obligations of MH are valid for a period of 12 months after installation, but in any event not exceeding 14 months, after the date of completion; for spare parts, for products where no installation has been carried out by MH and for services 12 months after the date of completion;

- c) The defect must not be caused by faulty, negligent or improper operation, application mistakes, use of unsuitable working materials, disregard of operating instructions, normal wear and tear, etc.;
- d) The Customer is only entitled to warranty if he has notified MH of any defects immediately by registered mail. The parts concerned in the claim are at the request of MH to be sent, prepaid, to the factory of MH;
- e) Warranty is at the discretion of MH restricted to the repair, or the replacement, free of charge, of the products or services within a reasonable period of time. Warranty only covers the replacement or repair of defective parts by MH. Price reduction or withdrawal from contract are expressly excluded;
- f) Warranty claims expire, if open defects are not reprimanded immediately at installation of the products or at receipt of spare parts, or if defective parts are modified or repaired without authorization by a third party or the customer;
- g) Technical data, features and characteristics of products, spare parts or services are only under express warranty, if referred to in writing in the order confirmation;
- h) Repair, modification or replacement of parts during the warranty period do not extend the warranty period for the product of service as a whole.

If an item is manufactured by MH on the basis of specifications, designs or samples supplied by the customer, the warranty obligations of MH do not extend to the correctness and utility of the design, but only to the execution of the customer's specifications. There is no obligation for admonition on the side of MH. Furthermore, the full liability for the violation of intellectual property rights is the customer's. MH warrants suitability and safety of products and spare parts only insofar and to such extent as they can be expected on the basis of official permits, instruction manuals, operation instructions – especially maintenance manuals or instructions on the use of genuine spare parts – or other technical guidelines of MH. Hence, the customer is obliged to strictly adhere to the operation instructions and safety guidelines of MH and to refrain from modifications not agreed upon with MH: Under no circumstances shall MH be liable for damages caused by negligence, whether based on contracts or tort, nor shall MH be liable for consequential or special damages or loss of profits. For service work done on customer's request in excess of the services covered by the contract, MH accepts no liability whatsoever. In such a case, MH's service personnel acts on customer's instructions and responsibility.

7. Payment Terms; Customer's Delay; Security Interest

Invoices are due at the contractually defined payment terms, net without deduction of discounts, expenses, taxes, duties, fees, customs duties and the like. In case of partial deliveries the customer is obliged to pay the corresponding partial payment after receipt of the respective invoice. Payments of the customer will be credited towards that payment which is outstanding longest. The Customer is not allowed to offset its claims against MH with claims of MH against the Customer; a right of retention of the Customer or an entitlement to withhold payments because of claims of warranty or other counterclaims whatsoever does not exist. If the customer is in arrears with any agreed payment or other requirement, the time allowed for payment is relinquished and MH is entitled to interest on arrears at the rate of 5 % above the interest rate of the German National Bank. MH reserves the right either stipulate an adequate period of grace to fulfill or after its expiry to withdraw from the contract. In case of MH's withdrawal, MH will be entitled to liquidated damages of 30 % of the order value as stated in the order confirmation. Beyond that MH's right to demand damages for breach of contract remains untouched.

Until the customer has met fully all financial obligations arising out of the contract, including costs, interest and damages of delay, MH retains the property rights to the products and spare parts sold. In case of re-sale by the customer of the items purchased from MH, the proceeds of the customer, including all and any implied rights and security interest, against its purchaser are assigned to MH at the amount owed to MH (Extended Supplier's lien). The customer is obliged to support MH, to the utmost extent, in enforcing its rights against the purchaser.

8. Supplementary provisions for services and training

Technical personnel of MH will be sent only against the customer's explicit request; MH reserves the right to choose the personnel according to the customer's specification of the work to be done. The compensation of costs for services by the service personnel of MH is based solely on the compensation schedule of MH's „Special Conditions of Services“. The customer is responsible for the observance of the local safety regulations and has to instruct MH's personnel in any potential and particular local safety specifications and dangers at the time of closing the contract and to insure them appropriately. The customer is obliged to inform MH immediately of any accident met with its personnel.

Training by MH will only be provided in accordance with the contractual provisions.

9. Applicable Law, Jurisdiction

Disputes arising out of or in connection with the contract shall be under the jurisdiction of the court of law having original jurisdiction over the headquarters of MH at Rohrdorf, Germany. MH, however, retains the right to take legal action in the customer's domicile. The contract shall be governed by German law including the United Nations Convention on the International Sale of Goods (UNCITRAL).