

General Terms and Conditions

Sec. 1. Validity of these conditions

- a) The following business conditions are applicable to deliveries only. Our 'Allgemeinen Reparatur- und Montagebedingungen' (General Repair and Assembly Conditions) are applicable to repairs and assembly services.
- b) Agreements modifying or supplementing the following conditions, subsidiary agreements, as well as conditions by the ordering party are only effective if confirmed by us in writing. 'Handelsvertreter' (commercial agents) and 'Handlungsreisende' (travelling salesmen) are not authorized to make or accept for us binding statements.
- c) Except such are expressly approved in writing as being applicable, deviating, contrary or supplementary General Terms and Conditions will not become component of the contract, even when known.

Sec. 2. Proposals

Our proposals are not binding. The documentation pertaining to the respective proposal, like illustrations, drawings, statements of weight and measurements are approximately applicable only, if not expressly indicated by us as being binding. We reserve the ownership rights and copyright to all estimates, drawings and miscellaneous documentation. These must not be disclosed to third parties. Without the consent by the ordering party, we are not permitted to disclose to third parties plans which are designated confidential by the ordering party.

Sec. 3. Orders, Acceptance of orders

- a) Orders are binding on the ordering parties. We will only become committed through our written acceptance. The order is deemed to be accepted if we do not refuse acceptance prior to expiration of a period of 30 days.
- b) In the event that the merchandise is submitted to the ordering party prior to receipt of the acceptance of the order or the invoice, the merchandise is submitted on loan.

Sec. 4. Prices and Payment

- a) The prices are applicable in Euro and ex factory in the absence of special arrangements, including loading at the factory, excluding packing and packaging and customs clearance though, additional value-added tax at the respectively applicable percentage. We reserve the right to correct the prices in accordance with section 315 of the BGB (German Civil Code), in the event that individual cost factors change prior to delivery. In the event that the ordering party is not a 'Kaufmann' (merchant), public-law corporation, special funds under public law or an entrepreneur in the meaning of section 14 of the BGB (German Civil Code), the stated prices will remain unchanged during a period of 4 months starting on the ordering date.
- b) In the absence of special agreements, payments must be made according to the offer or confirmation of the order to our head office, in cash without deductions and free of charges. Partial invoices are admissible in the event of partial deliveries (section 6d).
- c) Non-compliance with the terms of payment or circumstances which are suitable to reduce the credit standing of the ordering party, will result in all our claims becoming due without delay, notwithstanding any accepted bills of exchange. In such cases, we are additionally entitled to deliver against prepayment or security only, as well as to cancel the contract subsequent to granting a reasonable period of grace and/or claim compensation for damages based on failure to perform.
- d) Under the reservation that additional damages can be claimed, in the event of default of payment, interest for default will be charged in the amount proven. An amount of 8 % above the basic interest rate will be charged at minimum, however.
- e) A right to withhold payments can only be based on claims by the ordering party which are originating from the same legal relationship and were acknowledged by us or determined by legally effective judgement.
- f) Set-off is only admissible against claims which are acknowledged by us or determined by legally effective judgement.
- g) Place of performance of payment is the registered office of the banking establishments listed on our invoices.
- h) Arrival of the money is decisive for timeliness of payment, not dispatch. In the event of non-cash payment, payment is timely if the due amount is credited by due date to one of the bank accounts stated on our invoices. The transfer must be free of charge.

Sec. 5. Delivery time, Delay

- a) The stated delivery time is approximate only. The time of delivery will commence by mailing the acceptance of the order; however, not before all documentation, permits, clearances to be provided by the ordering party are in hands and/or agreed prepayments were received, as well as not prior to clarification of all technical details and not prior to the ordering party fulfilling all prerequisites incumbent on the ordering party for performance of the transaction.
- b) The time of delivery is deemed to be complied with if the delivery item left the plant prior to expiration of the time of delivery or notification was given of readiness for shipment.
- c) In the event of measures in the scope of industrial disputes, particularly strike and lockout, as well as in the event of substantial, unforeseen impediments which are beyond our control, the time for delivery reasonably extends in as far as such impediments substantially influence completion or delivery of the delivery item. This is also applicable in the event that these circumstances occur at subcontractors. We are also not responsible for the above described circumstances in the event that these occur during delay. In important cases, we will notify the ordering party without delay of the beginning and the end of such impediments.
- d) Excluding further claims, the ordering party may claim in the amount determined by section 13 a) compensation for damages because of delay based on our fault, in the event that the ordering party suffers damages because the time specified for delivery which might have been extended under section c) above, was exceeded.
- e) We reserve the right to cancel the contract in the event that based on force majeure, strike, natural disaster, civil war or the similar, delivery will become impossible or if we are not supplied based on failure of any of our suppliers. The event of no availability of performance, we commit to inform the customer without delay of the non-availability and to immediately refund all payments rendered by the customer.
- f) In the event that shipping is delayed through request by the ordering party, costs caused through storage will be charged beginning one month upon notification that the delivery item is ready for shipment. In the event of storage at our plant, 0.5 % of the invoiced amount will be charged per month at minimum. In the event that a granted reasonable time-limit expires unsuccessfully, we are authorized to dispose of the delivery item at our discretion and/or supply the ordering party prior to expiration of a reasonably extended time-limit.
- g) Running of the time for delivery is suspended for as long as the ordering party does not fully fulfil their contractual obligations which includes amongst other things that suitable packing and packaging material and wadding is timely made available, in the event that nothing to the contrary was agreed.

Sec. 6. Shipment, passing of risk

- a) We deliver ex-factory. All risk passes to the ordering party at the latest when the delivery parts are held available at the ramp of our plant, usually though at the time when the ordering party is informed of its readiness for shipping. This also applies when partial shipments are made or we assumed additional services, like installation and taking into operation or shipping is performed through our own means of transport.
- b) In the event that shipment is delayed through circumstances for which we are not responsible, risk will pass to the ordering party at the day of readiness for shipment.
- c) In the event that the ordering party will not immediately accept the merchandise when ready for shipment, we will store it if possible, for and at the risk of the ordering party. This storage does not free the ordering party from the obligation to pay which accrues at the time when made available.
- d) Partial deliveries are admissible during the delivery periods stated by us, in as far as no disadvantages for use are caused by this.

Sec. 7. Packing and Packaging

Cardboard boxes, crates and cases, pallets and other packing material will be charged. This packaging material cannot be taken back.

Sec. 8. Installation, Operations, Assembly

The ordering party is solely and fully responsible for any type of installation, putting into operation and assembly. This applies also to planning, design and professionally correct installation of the merchandise into the total systems or production facilities where the merchandise is a partial or structural component only. The ordering party coordinates all work required ahead and guarantees that it will timely and properly be performed. The ordering party is also responsible for timely transporting the merchandise to the place of installation. In the event that the installation will be delayed for reasons which are not the responsibility of Wipotec, we are able to charge the accruing extra costs and waiting times to the ordering party.

Sec. 9. Disposal

Upon termination of use, the ordering party assumes the duty to dispose of the merchandise delivered by us which was not used in private households within the meaning of section 3, Para 4, of the 'Elektrogesetz' (Code Concerned with Electrical and Electronical Equipment Waste), at own cost of the ordering party and in accordance with the proper regulations. The ordering party must indemnify and hold us harmless from the responsibilities and duties of section 10, Para 2 (obligation by the manufacturer to accept return) of the 'Elektrogesetz' and the associated claims of third parties. Our claims based on the assumption by the ordering party of the duty to dispose of returned merchandise and to hold us harmless, run for a period of two years after the end of the useful life of the merchandise delivered by us. These two years of limitation of claims begin at the earliest with receipt from the ordering party of a written notice of the termination of use. The ordering party ensures that the merchandise delivered by us is not transmitted to employees or other private individuals.

Sec. 10. Reservation of ownership

- a) We reserve ownership to the delivered merchandise until the purchase price is paid in full. However, regarding commercial business, our ownership will only become void upon payment of all claims which accrued against the ordering party based on the business relationship. In the event that the law of a foreign country is applied where the reservation of ownership is not effective, the ordering party is obligated to cooperate in any and all measures providing us with securities which are equal to the value of a reservation of ownership, particularly by providing any statements required by these laws.
- b) In the event that the ordering party obtained the delivery item for resale, the ordering party is only entitled to dispose of the delivery item in the scope of an orderly, for the ordering party regular course of business. Dispositions of any other type are prohibited. The ordering party assigns to us in advance in the amount of the invoice value of the merchandise under reservation, the claims to which it is entitled based on resale.
- c) The ordering party is not permitted to pledge the delivery item or transfer ownership by way of security. The ordering party must inform us without delay of levies of execution, seizure or other dispositions by third parties.
- d) 'Bearbeitung' (processing) and 'Verarbeitung' (use for production) of the merchandise by the ordering party will always be performed in our name and on our behalf. In the event that use for production is made together with items which do not belong to us, we obtain co ownership of the new item at the ratio of the invoiced value of the merchandise with reserved ownership to the other merchandise used for production, the same applies if the merchandise is compounded with other items which do not belong to us.
- e) The authorization of the ordering party according to section b), to dispose of the merchandise under reservation and to collect the assigned claims becomes void if the payment conditions will not be complied with, payment is stopped, as well as in the event of protested bills of exchange or checks. In such cases, we are authorized to take possession of the merchandise under Reservation. The incurred costs will be borne by the ordering party.
- f) The ordering party must inform us without delay of forthcoming and enforced seizure by third parties of the merchandise under reservation or of the assigned claims. The costs of interventions are borne by the ordering party.
- g) In the event of faulty violation of the contract by the ordering party, particularly default of payment, we are entitled to enforce the reservation of ownership concerning the delivery item upon prior warning. The ordering party is obligated to surrender the delivery item.
- h) If the value of the securities submitted to us, exceeds our claims by more than 20 %, we are obligated upon request by the ordering party, to release the above stated securities to this extent.

Sec. 11. Obligation to inspect and to return

- a) The ordering party shall inspect the merchandise without delay and notify us (not our commercial agents and authorized agents) in writing of defects 10 days upon receipt of the merchandise at the place of destination at the latest.
- b) Sufficient for compliance within the period of objection is timely sending to our known, central fax number, the written notice describing in detail the defects objected to.
- c) Delivery is deemed to be accepted in the event that objections or notices of defects are not timely submitted.
- d) Hidden defects must be notified 14 days upon discovery at the latest.

Sec. 12. Warranty, Liability for defects

- a) In the event that the delivery item is defective or through deficiencies of manufacturing or material becomes defective during the warranty period, the ordering party based on our choice which is based on equitable discretion, is entitled to 'Nachbesserung' (subsequent repair) or delivery of spare parts. In the event that it is not possible to remedy the defect by a second subsequent improvement, the ordering party may request that the purchase is rescinded or the purchase price is reduced.
- b) In the event that the ordering party chooses cancellation of the contract because of a defect in title or quality upon failed subsequent performance, the ordering party is not additionally entitled to claim damages based on the defect. In the event that the ordering party chooses to claim damages upon failed subsequent delivery, the merchandise will remain with the customer in the event that this is reasonable. The claim for damages is limited to the difference between the purchase price and the value of the defective item. This does not apply if we caused the violation of the contract with the intent to deceive.
- c) The ordering party is responsible for selecting the software functions. Software defects which more than insignificantly affect the selected functions adversely, will at our option be corrected or rectified through delivery of an improved software version or through information for removal or circumvention of the effects of the defect.
- d) The warranty period amounts to 12 months in the event of one shift operation. In as far as use is made through multiple shift operation (more than 8 hours per day), this is not in agreement with use in conformity with the contract. We do not assume any liability for defects or damages caused through this, which would not have occurred through use in one-shift operation. Time limits will start at the date of the invoices or in case of section 6 c), at the time when the item is made available.
- e) The warranty period for spare parts and subsequent repair is 12 months; however, duration of the period will last at minimum until expiration of the original warranty period.
- f) The claims by the ordering party based on liability for defects expire if the ordering party does not grant us during the regular business hours the time and opportunity necessary to remove the defects.
- g) We do not assume any warranty for possible defects/damages which were caused by the following reasons:
 - ga. Insufficient information by the ordering party concerning:
 - requested function;
 - the place of installation;
 - harmful environmental influences;
 - the item/s to be weighed and its/their characteristics;
 - gb. Normal wear and tear, faulty and careless treatment (particularly, excessive stress), failure to comply with the operating, use, installation, mounting, service and cleaning instructions, defective or insufficient specification of the surroundings, defective construction work, unsuitable building site, chemical, electromagnetic or electric influences, improper storage of operating material;
 - gc. If our merchandise will be furnished with attachments, superstructures and/or substructures, as well as with fixed and/or flexible connections to join it to other equipment, regardless if these could cause or not cause interferences;
 - gd. If through the planned structural integration and/or the actually realized installation of our merchandise, setting, maintenance or service work which might have to be performed on the merchandise will be more difficult or prevented or the requested performance or characteristic cannot be achieved.
The exclusion of the warranty is not applicable when the defects/damages are based on wrongful intent or gross negligence committed by us.
- h) The warranty expires or is not applicable when defects/damages occur caused through interference by individuals who are not authorized by us and/or use of spare parts or operating material which are not original.
- i) All parts which during 12 months starting from taking into operation, based on a circumstance prior to the passing of risk, particularly because of faulty type of construction, bad construction material or defective workmanship, prove not to be usable or adversely affected in their usability to a not irrelevant extend, must free of charge be repaired or newly delivered according to our choice which is subject to equitable discretion. We must be notified without delay of the determination of such defects. We become owners of replaced parts, in the event that shipping, installation or taking into operation are delayed without our fault, our liability terminates 12 months upon transfer of risk at the latest.
- j) Upon priorly contacting us, the ordering party must grant us the time and opportunity necessary to perform all subsequent improvements and replacements which we believe to be necessary based on equitable discretion; apart from that we are freed from the warranty. Only in urgent cases of danger to the industrial safety and of warding off unreasonably large damages, whereby we must immediately be notified, or if we are in delay with the removal of a defect, the ordering party is entitled to remove the defect or have it removed by third parties and to request compensation of the necessary expenses.
- k) In as far as the complaint is proven to be justified, we will bear of the direct costs accruing in the scope of the warranty through repair, replacement and fitting of spare parts, the cost of the spare part including transportation, as well as the appropriate costs of removal and building in the event that this may be requested in all fairness based on the circumstances of the particular case. All other costs will be borne by the ordering party.
- l) Normal wear and tear is excluded from the warranty in any case.
- m) Particularly for weighing systems, our warranty terminates if the installation or running-in of weighing systems is not performed by our personnel or in the presence of our personnel, whereby these costs are chargeable to the ordering party; or if the function of the weighing systems is negatively influenced at the installation location because of the particular climatic or other conditions of the location and the plant.

Sec. 13. Other claims for damages

- a) In cases of delay based on our fault (section 5 d)), we are exclusively liable for reasonably foreseeable damages typical for the contract which are calculated as follows: The compensation for delay amounts for every full week to 0.5 % of the value of the share of the total delivery which cannot be used on time or according to the contract because of the delay; altogether to 5% at the most, however. In the event that the ordering party grants us an appropriate extension of the original term and the extension of the original term is not complied with, the ordering party is entitled to cancel the contract. This limitation is not applicable in the event that the liability is not excluded based on the following section b).
- b) For damages which did not occur on the delivered item itself, we are only liable (on what legal basis ever) in the event of wrongful intent, gross negligence by the owner / of the executive bodies or executive employees, in the event of faulty injury to life, body or health, in the event of defects which we maliciously did not disclose or were guaranteed by us not to exist or in the event of defects of the delivered item, in as far as based on the Produkthaftungsgesetz (Product Liability Law), a liability exists for damages caused to individuals or privately used property. Hereby, the liability based on the Produkthaftungsgesetz is not excluded. In the event of faulty violation of substantial contractual obligations, we are also liable for gross negligence of nonexecutive employees and for slight negligence; in the last case, limited to the contract typical, reasonably foreseeable damages. Further claims are excluded.

Sec. 14. Software

- a) A non-exclusive and non-negotiable right for internal use is granted on software and documentation. All other rights remain with us. The ordering party must insure that software and documentation are not accessible by third parties without our prior written consent.
- b) Copies may only be made for filing purposes; section a) applies accordingly. In the event that the original documents bear note indicating protection by copyright, the ordering party must also affix this note to copies. In as far as nothing to the contrary will be agreed, the above agreed right to use is respectively deemed to be granted through acceptance of the order and delivery of the software.
- c) Through purchase of the software, the ordering party will receive ownership to the corporeal data carrier, the packing, the manual and the other written pertinent material only. The ordering party acknowledges that the software is protected by copyright.
- d) The ordering party is liable to us for all damages which are caused by omitted erasure, other use by third parties which is not permissible by the copyright protection and/or the contract.
- e) It is understood between the parties of the contract that it is not possible to design software which is fault free for all application conditions.
- f) We are not liable if through the use of the sold software, performance results do not occur; as well as we are not liable for not realized profit, not realized savings, indirect and consequential damages.
- g) Further the parties to the contract agree that we are not responsible for the installation of the software. This is incumbent on the ordering party. Accordingly, we do not assume responsibility that through the installation or the use of its software on the disc drives or data processing equipment of the ordering party, disadvantageous alterations occur, like data loss, alterations, erasures or other negative changes, e.g.

Sec. 15. Place of litigation, Governing law

- a) If the ordering party is 'Kaufmann' (merchant), a 'juristische Person des öffentlichen Rechts' (public law entity) or 'öffentlich rechtliches Sondervermögen' (special funds under public law), place of litigation is the respective court which has local jurisdiction, as well jurisdiction over the facts of the case for the city of Schwaebisch Hall. However, we are entitled to file suit at the headquarters of the ordering party.
- b) In as far as the ordering party does not have a general domestic place of litigation or this place of litigation will become void after the contract was signed, place of litigation is the respective court which has local jurisdiction, as well as jurisdiction over the facts of the case for the city of Schwaebisch Hall.
- c) The law of the Federal Republic of Germany is applied, excluding the UN Law on Sales.

Sec. 16. Contract

- a) The contract contains all stipulations. Additional written or verbal subsidiary agreements do not exist. Modifications and supplementation must be in written form.
- b) The legal ineffectivity of individual terms of the purchase contract and these conditions does not affect the legal effectivity of the other parts of the contract. The parties to the contract commit to replace ineffective terms through effective arrangements which in their economical effect are as close as possible to the ineffective terms and suit the purpose of the contract best. The same applies in the event of a loophole in the terms and conditions.