

General terms and conditions of sale and delivery of MD Drucklufttechnik GmbH & Co. KG (in the following referred to as "seller")

– translation for information purpose –

§ 1 Validity of the conditions

- 1.1 The seller's offers and deliveries shall be made exclusively on the basis of these terms and conditions. These shall also apply to all future transactions, even if they are not expressly agreed again. These terms and conditions shall be deemed accepted at the latest upon receipt of the goods. We hereby object to any declarations to the contrary and/or any terms and conditions of the buyer which do not comply with our terms and conditions.
- 1.2 Deviations from these terms and conditions shall only be effective if confirmed in writing by the buyer.

§ 2 Offer and conclusion of contract

- 2.1 The seller's offers are subject to confirmation and are non-binding. Declarations of acceptance and all orders require either the written or telex confirmation of the seller or are made by the delivery in order to be legally effective. The same shall apply to supplements, amendments or subsidiary agreements.
- 2.2 Technical and operational data on weight, dimensions and other performance and consumption data in our brochures, drawings and publications shall only be binding if expressly agreed in writing.
- 2.3 We reserve ownership rights and copyrights to cost estimates, drawings and other documents. These may only be made accessible to third parties with our consent.
- 2.4 All agreements made between the seller and the buyer for the purpose of executing this contract must be set down in writing in this contract.

§ 3 Prices and payments

- 3.1 The prices stated in the seller's order confirmation plus the statutory value added tax shall be decisive. Additional deliveries and services shall be invoiced separately.
- 3.2 Unless otherwise agreed, the prices are to be understood EXW warehouse of the seller including normal packaging.
- 3.3 The contractually agreed prices shall be payable if a delivery period of up to 4 months has been agreed or is delivered within 4 months. Otherwise, the seller's list prices valid on the day of delivery shall be invoiced plus statutory value added tax.
- 3.4 Unless otherwise agreed, the purchase prices and prices for ancillary services shall be due for payment upon handover of the goods and handover or dispatch of the invoice or other accounting document.
- 3.5 The seller shall be entitled, despite any provisions of the buyer to the contrary, to first offset payments against the buyer's older debts and shall inform the buyer of the nature of the offset. If costs and interest have already been incurred the seller shall be entitled to offset the payments first against the costs, then against the interest and finally against the principal claim.
- 3.6 Payment shall not be deemed to have been made until the invoiced amount has been received and credited in our account. In the case of cheques, payment shall not be deemed to have been made until the cheque has been cashed or finally credited.
- 3.7 If the buyer is in default the seller shall be entitled to demand interest at a rate of 8% above the base interest rate from the date in question. They shall be set at a lower rate if the buyer proves a lower charge. The proof of a higher damage by the seller is permissible.
- 3.8 If the seller becomes aware of circumstances which call the creditworthiness of the buyer into question, in particular if a cheque or promissory note is not honoured or if he suspends his payments, or if the seller becomes aware of other circumstances which call the creditworthiness of the buyer into question, the seller is entitled to call in the entire remaining debt even if he has accepted cheques or promissory notes. In this case the seller shall also be entitled to demand advance payments or securities.
- 3.9 The buyer may only offset against the seller's claims if the buyer's counterclaim is undisputed or a legally binding title exists. The buyer may only assert a right of retention insofar as it is based on claims from the purchase contract.

§ 4 Retention of title

- 4.1 Until all claims (including all current account balance claims) to which the seller is entitled against the buyer now or in the future for any legal reason have been settled the seller shall be granted the following securities, which he shall release on request at his discretion, insofar as their value exceeds the claims by more than 20% on a sustained basis.
- 4.2 The goods remain the property of the seller. The processing or transferral shall always be carried out for the seller as manufacturer, but without obligation for him. If the (co)ownership of the seller expires as a result of the combination it is hereby agreed that the (co)ownership of the buyer in the uniform item shall pass to the seller in proportion to the value (invoice value). The buyer shall keep the (co)ownership of the seller in safe custody free of charge. The goods to which the seller is entitled to (co)ownership shall hereinafter be referred to as reserved goods.
- 4.3 The buyer is entitled to process and sell the reserved goods in the ordinary course of business as long as he is not in default. Pledges or insurance transfers are not permitted. The seller

hereby assigns to the seller by way of security all claims (including all current account balance claims) arising from the resale or any other legal reason (insurance, tortious act) in respect of the reserved goods. The seller revocably authorises the buyer to collect the claims assigned to the seller for the seller's account in the seller's own name. This authorisation to collect can only be revoked if the buyer does not properly comply with his payment obligations.

- 4.4 In the event of access by third parties to the reserved goods, in particular seizures, the buyer shall draw attention to the seller's ownership and inform the seller immediately so that the seller can assert his ownership rights. In the event a third party is not in a position to reimburse the seller for the judicial or extrajudicial costs incurred in this connection the buyer shall be liable for such costs.
- 4.5 In the event of breach of contract by the buyer - in particular default in payment - the seller shall be entitled to take back the reserved goods or, if applicable, to demand assignment of the buyer's claims for surrender against third parties.
- 4.6 In the event of default in payment by the buyer the seller may withdraw from the purchase contract. If, in addition, the seller is entitled to claim damages instead of performance and if he takes back the goods the seller and the buyer agree that the seller shall reimburse the buyer for the normal sales value of the goods at the time of taking it back. At the buyer's request, which can only be expressed immediately after taking back the goods, a publicly appointed and sworn expert shall, at the buyer's option, determine the usual sales value. The purchaser shall bear all costs of taking back and using the goods. The costs of realisation shall amount to 5% of the usual sales value without proof. They shall be set higher or lower if the seller proves higher costs or the buyer proves lower costs.

§ 5 Delivery

- 5.1 Delivery dates or delivery periods, which may be agreed as binding or non-binding, must be stated in writing. Delivery periods shall commence upon conclusion of the contract.
- 5.2 The seller shall not be responsible for delays in delivery and performance due to force majeure and due to events which make delivery of the goods or services by the seller not only temporarily difficult or impossible - this includes in particular strikes, lockouts, official orders, etc., even if they occur at the seller's suppliers or their sub-suppliers - even in the case of bindingly agreed deadlines and dates. They entitle the seller to postpone the delivery or service for the duration of the hindrance plus a reasonable start-up period or to withdraw from the contract in whole or in part because of the part not yet fulfilled.
- 5.3 If the hindrance lasts more than 2 months the purchaser is entitled, after setting a reasonable grace period, to withdraw from the contract with regard to the part not yet fulfilled. If the delivery period is extended or if the seller is released from his obligation, the buyer cannot derive any claims for damages from this. The seller may only invoke the aforementioned circumstances if he notifies the buyer immediately.
- 5.4 If the buyer is entitled to compensation for damage caused by delay this shall be limited in the event of slight negligence on the part of the seller to compensation for delay amounting to 0.5% for each completed week of delay, but not exceeding a total of 5% of the agreed purchase price. If the buyer also wishes to withdraw from the contract and/or demand damages instead of performance he must set the seller a reasonable deadline for delivery after expiry of the 2 month period. If the buyer is entitled to damages instead of performance the claim shall be limited to a maximum of 25% of the agreed purchase price in the case of slight negligence. If the buyer is a legal entity under public law, a special fund under public law or an entrepreneur who acts in the exercise of his commercial or independent professional activity at the time of conclusion of the contract, claims for damages are excluded in the event of slight negligence. If, while the seller is in default, the delivery becomes impossible by accident the seller shall be liable with the aforementioned agreed limitation of liability. The seller shall not be liable if the damage would have occurred even if performance had been made on time.
- 5.5 The seller shall be entitled to make partial deliveries and render partial services at any time.
- 5.6 Compliance with the seller's delivery and service obligations shall be subject to the timely and proper fulfilment of the buyer's obligations.
- 5.7 If the buyer is in default of acceptance the seller shall be entitled to claim compensation for the damage incurred. Upon occurrence of the default of acceptance the risk of accidental deterioration and accidental loss shall pass to the buyer.

§ 6 Passing of risk and acceptance

- 6.1 The risk shall pass to the buyer as soon as the consignment has been handed over to the person carrying out the transport or has left the seller's warehouse for the purpose of dispatch. If shipment is delayed at the request of the buyer the risk shall pass to the buyer upon notification of readiness for shipment.
- 6.2 Delivery shall be made at the buyer's expense.
- 6.3 Damage caused by the shipment must be reported to the person performing the transport immediately and before acceptance of the delivery.

- 6.4 The purchaser is obliged to accept the purchased item within 14 days of receipt of the notification of readiness. In the event of non-acceptance the seller may exercise his statutory rights.
- 6.5 If the seller claims damages this shall amount to 15% of the agreed purchase price. The amount of damages shall be set higher or lower if the seller proves higher damages and the buyer proves lower damages.

§ 7 Liability for material defects

- 7.1 The products shall be delivered free of manufacturing and material defects. The period for making claims for defects shall be 1 year from delivery of the products.
- 7.2 If the seller's operating or maintenance instructions are not followed, changes are made to the products, parts are replaced or consumables are used which do not correspond to the original specifications any claim for defects in the products shall lapse if the buyer does not refute a substantiated claim that one of these circumstances caused the defects.
- 7.3 The buyer must notify the seller's customer service department of any defects in writing without delay, but at the latest within one week of receipt of the delivery item. Defects which cannot be discovered within this period, even after careful inspection, must be reported to the seller in writing immediately after their discovery.
- 7.4 In the event that the buyer notifies the seller that the products are defective the seller shall, at the seller's option and expense, demand that: the defective part or device is sent to the seller for repair and subsequent return; the buyer keeps the defective part or appliance ready and a seller's service technician is sent to the buyer to carry out the repair. If the buyer requires that the repair work be carried out at a location to be determined by the buyer the seller may comply with this request, whereby replaced parts shall not be charged while working time and travel expenses shall be paid at the seller's standard rates.
- 7.5 Liability for normal wear and tear is excluded.
- 7.6 Only the direct buyer is entitled to claims against the seller due to defects and they are not transferable.
- 7.7 Replaced parts become the property of the seller. For the parts installed to remedy the defect the buyer may assert claims for material defects on the basis of the purchase contract until the expiry of the limitation period for the goods.
- 7.8 In the event of fraudulent concealment of defects or assumption of a guarantee for the quality further claims of the buyer shall remain unaffected.

§ 8 Limitation of liability

- 8.1 If the seller is liable for damage caused by slight negligence due to statutory provisions in accordance with these terms and conditions the seller's liability shall be limited: Liability shall only exist in the event of infringement of rights essential to the contract and shall be limited to the typical damage foreseeable at the time of conclusion of the contract. This limitation does not apply to injury to life, limb and health. Insofar as the damage is covered by an insurance policy taken out by the buyer prior to the damage in question (with the exception of sun insurance), the seller shall only be liable for any associated disadvantages of the buyer, e.g. higher insurance premiums or interest disadvantages, until the damage has been settled by the insurance company.
- 8.2 No liability shall be accepted for damages caused by slight negligence due to a defect in the goods.
- 8.3 Irrespective of any fault on the part of the seller, any liability on the part of the seller in the event of fraudulent concealment of the defect, the assumption of a guarantee or a procurement risk and in accordance with the Product Liability Act shall remain unaffected.
- 8.4 The seller shall also be responsible for the impossibility of delivery occurring accidentally during the delay, unless the damage would have occurred even if the delivery had been made on time.
- 8.5 The personal liability of the legal representatives, vicarious agents and employees of the seller for damages caused by them due to slight negligence is excluded.

§ 9 Applicable law, place of performance, jurisdiction and partial invalidity

- 9.1 The law of the Federal Republic of Germany shall apply to these terms and conditions and the entire legal relationship between seller and buyer. The applicability of the UN Convention on Contracts for the International Sale of Goods is excluded.
- 9.2 Insofar as the buyer is a merchant within the meaning of the German Commercial Code, a legal entity under public law or a public special fund, Stuttgart shall be the place of performance and exclusive place of jurisdiction for all disputes arising directly or indirectly from the contractual relationship.
- 9.3 Should a provision in these terms and conditions or a provision within the framework of other agreements be or become invalid this shall not affect the validity of all other provisions or agreements.