

General Terms and Conditions of Schlie Hydraulik Service GmbH

I. General information

- a) The following terms and conditions apply to all deliveries and services. We are not able to recognise deviating terms and conditions unless we have expressly agreed to their validity in writing. For servicing and installation work, our terms and conditions on the secondment of servicing and installation personnel also apply.
- b) All agreements concluded between us and the customer for the purpose of the implementation of a contract are set out in writing in this contract.
- c) Our terms and conditions only apply to companies in terms of Section 310 (1) of the German Civil Code (BGB).
- d) Our terms and conditions also apply to all future transactions with the customer.

II. Offer / Conclusion of contract

- a) Our offers are non-binding unless otherwise stated in the confirmation of order. Cost estimates are non-binding and – unless agreed otherwise – subject to a charge. The documents, illustrations, drawings, weights, measurements and service descriptions provided with the offer are only binding if they have been expressly designated as being binding in writing.
- b) We reserve the right of ownership and copyright to cost estimates, drawings and other documents. These may not be made accessible or passed on to third parties.
- c) All agreements shall only become legally effective with our written confirmation.

III. Transfer of contract

- a) All claims of the customer that may arise from the contracts concluded with us cannot be assigned to third parties without our authorisation.
- b) We are authorised to provide the services commissioned to us jointly with other companies and to issue subcontracts.

IV. Delivery / Delivery periods

- a) Delivery periods are only approximate unless we have expressly designated them as binding in writing. Binding delivery periods commence on the date of the confirmation of order. The commencement shall be subject to the customer having fulfilled all of his/her obligations, in particular the provision of the documents, authorisations and supplies to be procured by him/her and the services to be rendered by him/her.
- b) Agreed delivery periods refer to the time of dispatch and, if the goods cannot be despatched on time through no fault of our own, shall be considered to have been fulfilled upon notification of readiness for dispatch.
- c) If we are prevented from fulfilling our obligations by unforeseeable events which we would not have been able to prevent even with reasonable care, the delivery period shall be extended by the duration of the hindrance and a reasonable initial phase.
- d) If the customer is in default of acceptance or culpably infringes other obligations to co-operate, we shall be entitled to demand compensation for the damage incurred by us in this respect, including any additional expenses. We reserve the right to assert further claims. If these conditions are fulfilled, the risk of the accidental loss or accidental deterioration of the purchased item shall pass to the customer at the point in time at which the customer is in default of acceptance or debtor's default.
- e) We shall also be liable in accordance with the statutory provisions if the delay in delivery is due to an intentional or grossly negligent breach of contract for which we are responsible; any fault on the part of our representatives or vicarious agents shall be attributed to us. If the delay in delivery is not due to an intentional breach of contract for which we are responsible, our liability for damages shall be limited to the foreseeable, typically occurring damage.

V. Transfer of risk, dispatch

- a) Unless otherwise agreed in writing delivery "ex works" is agreed. The packaging, dispatch route and means of transport are at our discretion. Separate agreements apply to the return of packaging.
- b) The risk is transferred to the customer when the goods are handed over to the transport company.

- c) If the dispatch is delayed due to circumstances for which we are not responsible, the risk shall pass to the customer upon notification of the readiness for dispatch or collection.
- d) Unless otherwise agreed, we are authorised to make partial deliveries.

VI. Terms of payment, payment

- a) Unless otherwise stated on the confirmation of order, our prices are "ex works" excluding packaging; this will be invoiced separately.
- b) The statutory rate of value added tax is not included in our prices; it will be shown separately on the invoice at the statutory rate on the day of invoicing.
- c) The granting of a discount requires a special written agreement.
- d) Bills of exchange are only accepted after prior agreement. Cheques and bills of exchange are only accepted on account of payment. Expenses shall be paid by the customer.
- e) Unless otherwise stated on the confirmation of order, the purchase price is payable net (without discounts) within 30 days of the invoice date. The statutory regulations regarding the consequences of late payment shall apply.
- f) The customer shall not be entitled to a right of retention. Offsetting against counterclaims is only permissible insofar as these are recognised by us, are undisputed or have been legally established.

VII. Liability for defects

- a) Claims for defects shall lapse 12 months after the transfer of risk. The above condition does not apply if the law prescribes longer periods in accordance with Section 438 (1) no. 2 (buildings and things used for buildings) and Section 634 (a) (building defects) of the German Civil Code (BGB).
- b) The limitation period for material defects begins with the transfer of risk.
- c) If defects are due to design faults or having chosen unsuitable materials, we shall not provide any warranty if the customer has specified or requested such a design or such materials. Parts or services provided by the customer are also excluded from the warranty.
- d) If there is a material defect within the limitation period, at our discretion we may remedy the defect or deliver a defect-free item as subsequent fulfilment. The goods that are the subject of the complaint must be sent to us for repair. In the event of the rectification of the defect, we shall be obliged to bear all the expenses necessary for the purposes of rectifying the defect, in particular transport, travel, labour and material costs, insofar as these are not increased by the fact that the purchased item has been taken to a place other than the place of performance.
- e) If the subsequent fulfilment fails, the customer shall be entitled, at his/her own discretion, to request withdrawal from the contract or a reduction in price.
- f) No liability is accepted for manufacturer's warranty promises that do not comply with our conditions of warranty.
- g) We shall be liable in accordance with the statutory provisions if the customer asserts claims for damages based on intent or gross negligence, including intent or gross negligence on the part of our representatives or vicarious agents. Insofar as we are not accused of a wilful breach of contract, the liability for damages shall be limited to the foreseeable, typically occurring damage.

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- h) We shall be liable in accordance with the statutory provisions if we culpably breach a material contractual obligation; in this case, however, our liability for damages shall be limited to the foreseeable, typically occurring damage.
- i) Liability for culpable injury to life, limb or health remains unaffected; this also applies to mandatory liability according to the Product Liability Act.
- j) Unless otherwise stipulated above, liability is excluded.
- k) If a notice of defect proves to be unjustified, we shall be entitled to charge the customer for all the expenses incurred by us as a result of this notice of defect.

VIII Patent infringement, industrial property rights

If the goods are manufactured and delivered in a design specifically prescribed by the customer (according to drawings, samples or other specific specifications), the customer shall guarantee that the design does not infringe the rights of third parties, in particular patents, utility models and other industrial property rights and copyrights. The customer is obliged to indemnify us against all claims of third parties that could arise from such an infringement of industrial property rights.

IX. Liability

- a) Any further liability for damages other than that provided for in VII. is excluded, irrespective of the legal nature of the claim asserted. This applies in particular to claims for damages arising from negligence when concluding the contract, other breaches of duty or tortious claims for compensation for damage to property according to Section 823 of the German Civil Code (BGB).
- b) The limitation shall also apply if the customer demands compensation for useless expenses instead of a claim for damages.
- c) Insofar as our liability for damages is excluded or limited, this shall also apply with regard to the personal liability for damages of our employees, workers, staff, representatives and vicarious agents.

X. Reservation of title

- a) We reserve title to the delivered goods until the complete fulfilment of all claims to which we are entitled from the business relationship and those still arising, irrespective of the legal grounds.
- b) The customer is entitled to process or combine the products supplied by us with other products within the scope of his/her ordinary business operations. The customer hereby assigns to us co-ownership of the items created by the processing or combination in order to secure our claims referred to under X.a above. Our share of co-ownership corresponds to the ratio of the value of the goods delivered by us to the item created as a result of the combination. As an ancillary contractual obligation, the customer shall store the items subject to our co-ownership at no cost.
- c) The customer is entitled to resell the goods delivered by us in the ordinary course of business, against cash payment or if s/he agrees to a reservation of title. The customer hereby assigns to us all claims and ancillary rights to which s/he is entitled from the resale. If goods belonging to us are resold together with other products, the claims arising from the resale shall be assigned to us in the amount of the invoice value of the goods delivered by us. The assigned claims serve to secure the claims mentioned referred to X.a; the customer is authorised to collect the assigned claims. At our request, the customer must inform us immediately in writing to whom s/he has sold the goods to which we have a reservation of title or co-ownership; and which claims s/he is entitled to from the resale. If the customer does not properly fulfil his/her contractual obligations towards us, the rights arising from this section can be revoked; this applies in particular if the customer is in default of payment. If the customer suspends his/her payments for a longer period and not only temporarily, these rights shall expire even without express cancellation.
- d) In the event of seizure, confiscation or other dispositions of the items to which we retain title or co-ownership, the customer must notify us immediately. The customer shall bear all costs that have to be incurred for the cancellation of access by third parties to our reserved goods or our security property and for replacement.
- e) If the customer is in default of payment or culpably breaches his contractual obligations, we shall be entitled to demand the return of the items to which we have a right of retention or co-ownership. If we

make use of this right, this shall only constitute a cancellation of the contract if this is expressly declared in writing.

XI. Partial invalidity, place of fulfilment

- a) If individual provisions are invalid, the remaining provisions of these terms and conditions shall remain binding.
- b) The place of fulfilment is the respective location of our branch, unless otherwise stated on our confirmation of order.

XII. Place of jurisdiction, applicable law

The place of jurisdiction for all legal disputes of the Hamburg branch is Hamburg. The place of jurisdiction for all legal disputes of the Rostock branch is Rostock. All legal relationships between us and the customer shall be governed exclusively by the law of the Federal Republic of Germany applicable to legal relationships between inland parties.

**Schlie Hydraulic Service
GmbH**