

Terms & Conditions of Sale and Delivery

I. General, Scope

Deliveries, performance and quotes from HEKOMATIC Pneumatic GmbH (hereinafter referred to as HEKOMATIC) take place exclusively on the grounds of these Terms & Conditions of Business. They apply to all current and future business relationships, even if this is not expressly agreed. The buyer declares on placing an order that these Terms & Conditions of Business are known to them and they are in agreement with them.

Deviating, conflicting or supplementary General Terms & Conditions of Business even when acknowledged do not comprise a component of the contract and even if HEKOMATIC does not exclude these Terms & Conditions of Business unless their validity is expressly agreed in writing.

II. Quotations and conclusion of the contract

1. 1. Quotations made by HEKOMATIC are without obligation and subject to confirmation unless otherwise stated. Documentation belonging to the quotations such as illustrations, drawings, weight or dimensions data are only approximate and non-binding unless they expressly state that they are binding. HEKOMATIC reserves the copyright and ownership rights to cost estimates, drawings and other documentation and these may not be made available to third parties.

2. With the order the buyer bindingly declares that they want to purchase the goods ordered.

3. HEKOMATIC is entitled to accept the offer to enter into a contract contained within the order within 2 weeks of receipt. Acceptance may be declared either in writing or by delivery of the goods to the buyer. Information provided by HEKOMATIC about goods and services will only become a component of the contract if this information was specified in a binding quotation, written order confirmation or written contract. Information and quotations are based on normal standard quality and design. General information about quality and design are only to be taken as average values. Ancillary agreements and alterations require written confirmation from HEKOMATIC.

4. The buyer must immediately notify us in writing of any deviations between the invoice or delivery note and the goods actually delivered, within three days of receipt of the goods at the latest.

5. Conclusion of the contract is subject to the correct and timely delivery to HEKOMATIC by HEKOMATIC's suppliers. This only applies in cases where HEKOMATIC is not at fault for the non-delivery, in particular where HEKOMATIC has concluded a congruent supply arrangement with the supplier. The buyer will be immediately informed of the non-availability of the goods. Consideration will be immediately refunded.

III. Prices

1. The prices of products sold by HEKOMATIC are based on the price list valid on the day of delivery.

2. Prices are ex warehouse excluding packaging, transport, insurance and set-up. Shipping and insurance costs as per section V of the Terms & Conditions of Business are to be borne by the buyer unless otherwise expressly agreed and confirmed in writing.

3. All prices do not include the current valid amount of VAT.

HEKOMATIC price lists do not constitute an offer to enter into a contract. An administration surcharge of EUR 10.00 will be charged for orders under EUR 50.00.

IV. Conditions of delivery and transfer of risk

1. Agreed binding or non-binding delivery times or periods must be in writing.

2. The delivery period commences on sending the order confirmation however not before the production of the documents, approvals, releases to be provided by the buyer and not before receipt of any agreed advance payment.

3. The agreed delivery period is adhered to when the items have left the warehouse or when the goods are ready to be shipped within the time period and the buyer has been informed of this.

4. The delivery obligation ends if delivery is not possible, in whole or in part due to force majeure or other unforeseeable events. This also applies if these circumstances occur at a supplier of HEKOMATIC. In this case HEKOMATIC may, at their discretion, withdraw from the contract or postpone the delivery for the duration of the impairment plus a reasonable start-up period. In the latter case the buyer is not entitled to withdraw the order, to reject partial deliveries or to claim damages of any kind. HEKOMATIC may only rely on these circumstances if they immediately inform the customer of this.

5. Risk transfers to the buyer as soon as the shipment has left HEKOMATIC's warehouse for shipments

collected, otherwise on transfer to the carrier or shipper. This also applies if, by special arrangement, the shipping costs have been assumed by HEKOMATIC or if delivery is carried out by HEKOMATIC's vehicles.

6. If shipment is impossible due to no fault of HEKOMATIC, the risk transfers to the buyer on notification that the goods are ready to ship.

V. Insurance

1. HEKOMATIC will insure all deliveries against loss, theft or other transport damage at the expense of the customer, subject to specific information from the customer.

2. The customer is obligated to adhere with the necessary measures in order to be able to regulate damages arising with regard to transport in accordance with the local law.

VI. Payment

1. Invoices from HEKOMATIC are payable within 14 days of invoice date with a 2% discount or within 30 days net. The discount will only be granted if the buyer has not defaulted on the fulfilment of their other account receivables. Invoices for services such as for example repairs, programming, training, set-up etc are excluded.

2. Cash discounts on invoiced credit amounts are not permitted.

3. If reminders need to be issued after the expiry of the payment deadline the costs arising from this will be invoiced to the customer.

4. HEKOMATIC is entitled to charge default interest in the sum of 8% over the respective valid discount rate of the European Central Bank, for consumers in the sum of 5% over the respective valid discount rate of the European Central Bank.

5. In the event of default on payment of one invoice all other unpaid invoices become immediately due for payment regardless of their due date.

6. HEKOMATIC is entitled to use payments to pay off the oldest debts first despite contrary conditions of the buyer. If interest and costs are currently outstanding HEKOMATIC is entitled credit payments against the costs first, then the interest and finally the principal service. HEKOMATIC will inform the buyer of the methods used accordingly.

7. If the customer does not comply with their payment obligations, in particular if a cheque is not paid in and their payments are discontinued or if HEKOMATIC subsequently becomes aware of unfavourable circumstances regarding the financial circumstances or credit worthiness of the contractual partner, HEKOMATIC is entitled to demand payment in advance or security regarding all other contracts as well as to withdraw from the contracts after a reasonable grace period and to demand damages for non-performance.

8. The buyer is only entitled to offset if the counterclaim is undisputed or legally binding. The buyer may only exercise a right of retention if the counterclaim is in respect of the same contractual relationship and the counterclaim is undisputed or legally binding.

9. HEKOMATIC may only demand prepayment from a buyer if punctual payment of the purchase price does not appear to be guaranteed according to a bank, credit bureau or similar institution. If in this case the buyer does not provide the purchase price with two weeks of being given notice to do so by HEKOMATIC, HEKOMATIC may withdraw from the contract. HEKOMATIC then has the right to damages to the amount of 25% of the agreed purchase price. The customer is entitled to prove that a lesser amount of damages was incurred.

VII. Retention of title

1. HEKOMATIC retains title to the goods delivered by themselves until payment of the total debts arising from the contractual relationship, in particular until any current account balances, and until any payment by cheque have been credited.

2. Should the buyer behave in violation of the contract, particularly by defaulting on payment, HEKOMATIC is entitled to demand the return of the goods; the buyer shall be obligated to return the goods. If we demand the return of the goods this does not represent withdrawal from the contract, insofar as provisions of the Consumer Credit Act (Verbraucherkreditgesetz) do not apply unless HEKOMATIC had expressly declared this in writing. In the event of the processing and manufacture of the goods or if the goods are combined or mixed with other items HEKOMATIC's retention of title extends to these new goods or the claims arising therefrom. HEKOMATIC is deemed to be the manufacturer and acquires title thereto in accordance with §§ 947, 948, 950 German Civil Code (BGB). If the items are processed with

other goods not belonging to HEKOMATIC, HEKOMATIC acquires co-ownership in the new goods proportional to the invoice amount of the items subject to retention of title to the other processed goods at the point of processing.

3. Until payment has been made in full for all accounts receivables the goods may not be pledged by way of security, transferred by way of security to otherwise encumbered with third party rights in any way. HEKOMATIC is to be immediately informed by registered letter of such attempts by third parties to seize the goods.

4. The buyer may only resell the delivered goods in the course of ordinary business operations regardless of whether they are unprocessed, processed or combined, insofar as they are not in default.

5. The buyer hereby assigns the accounts receivable relating to the goods resulting from resale or another legal reason (including current account balance claims) to HEKOMATIC as a precaution. If the buyer in this situation does not comply with their payment obligations HEKOMATIC is entitled to notify the buyer's customer and to demand payment to HEKOMATIC. In this situation the buyer is obligated to immediately provide HEKOMATIC with access to all evidence, documentation and information required to enforce this claim.

6. HEKOMATIC revocably empowers the buyer to collect the claims assigned to HEKOMATIC in their own name on behalf of HEKOMATIC. This collection authorisation may only be revoked if the buyer does not properly conform with their payment obligations.

7. Consent for the resale does not extend to the sale to a third party for whom the assignment of receivables owed by him is conditional on this approval.

8. HEKOMATIC is obligated to release the securities provided to them at the request of the buyer if the securities are no longer necessary, this being not only on a temporary basis, in particular if the amount of the security exceeds the claim to be secured by more than 20%.

VIII. Guarantee

1. HEKOMATIC do not provide any guarantee for insignificant manufacturing deviations which do not affect external appearance or functionality.

2. HEKOMATIC guarantees that the delivered goods are free from significant manufacturing or material defects.

3. The guarantee is restricted to the rectification of defects or replacement at HEKOMATIC's discretion. If the rectification of defects or replacement not be successful, the buyer is entitled to demand a reduction in the purchase price (abatement) or the cancellation of the contract (rescission). In the event of a minor breach of contract, in particular in the event of minor defects the buyer does not have the right to withdraw. Replaced parts are the property of HEKOMATIC.

4. The buyer is obligated to notify HEKOMATIC of obvious defects within two weeks of receipt of the goods, otherwise the assertion of guarantee claims is excluded. Timely dispatch is sufficient to comply with the time period. The buyer bears the full burden of proof for all qualifying conditions, in particular regarding the defect itself, for the time of discovery of the defect and the timeliness of the complaint.

5. If the buyer chooses to withdraw from the contract due to a defect of title or material defect after supplementary performance has failed the buyer has no right to claim damages due to the defect. If the buyer chooses damages after supplementary performance has failed the goods will remain with the buyer if this is reasonable. Damages are restricted to the difference between the purchase price and the value of the defective goods. This does not apply if HEKOMATIC fraudulently caused the contractual infringement.

6. The guarantee period is one year from the transfer of risk. No guarantee is provided for used products.

7. As for the quality of the goods it is agreed that only the manufacturer's product description applies. Public statements, claims or advertising by the manufacturer do not describe any contractually agreed quality of the goods. If the buyer receives defective assembly instructions HEKOMATIC is only liable for the delivery of defective delivery instructions and only if the defect in the assembly instructions means that proper assembly is not possible.

8. No guarantee is provided in relation to damages arising for the following reasons: unsuitable or improper use, faulty assembly and/or use by the customer, natural wear and tear, incorrect or negligent handling, unsuitable work equipment, replacement parts, incorrect processing, unsuitable building site, chemical, electro-chemical or electric influences unless they are attributable to a fault on the part of HEKOMATIC.

9. In order for HEKOMATIC to carry out the necessary rectification of defects or replacement at their reasonable discretion the buyer is to coordinate with HEKOMATIC to provide the required time and

opportunity. Otherwise HEKOMATIC is released from their liability for defects. Only in urgent cases of danger to operational safety or in order to prevent disproportionately greater damage regarding which HEKOMATIC is to be immediately informed, or if HEKOMATIC is in default regarding the correction of a defect, does the buyer have the right to rectify the defect themselves or to instruct a third party to rectify the defect and to require the reimbursement of the necessary costs from HEKOMATIC.

10. Liability and guarantee are excluded in the event of improper alteration and repair work carried out by the buyer or third parties without the prior consent of HEKOMATIC.

IX. Limitation of liability

1. Claims for damages due to the impossibility of performance, positive breach of obligation arising from negligence in concluding the contract and liability in tort are excluded vis-a-vis HEKOMATIC and their vicarious agents except in cases of intent or gross negligence. This also applies to damage claims arising due to non-performance, however only insofar as the claim is made in respect of indirect or consequential damages unless the liability is based on an assurance that will protect the buyer against the risk of such damage. HEKOMATIC is not liable for simple negligence in relation to insignificant contractual obligations.

2. HEKOMATIC are however not liable vis-a-vis registered traders (Kaufleute) in cases of gross negligence for damages untypical for the contract, unforeseeable at the time the contract was concluded unless this is in respect of guaranteed quality.

3. The foreseeable limitation of liability does not apply to product liability claims by the buyer. In addition this limitation of liability does not apply in the case of attributable damage to the buyer's body or health of loss of life.

4. Claims for damages by the buyer in relation to defects have a limitation period of one year from transfer of the goods. This does not apply if HEKOMATIC are accused of gross negligence or in cases of damage to the buyer's body or health of loss of life attributable to HEKOMATIC.

X. Severability clause

Should individual provisions of the contract including these General Terms & Conditions of Business be or become invalid, in whole or in part, this will not affect the validity of the remaining provisions. The partially or wholly invalid provision will be replaced by a provision whose commercial result comes closest to that of the invalid provision.

XI. Place of performance and jurisdiction

1. The law of the Federal Republic of Germany exclusively applies to these Terms & Conditions of Business and for all legal relationships between HEKOMATIC and their business partners. The application of the UN Convention on Contracts for the International Sale of Goods is excluded.

2. The place of performance and the court with jurisdiction for all disputes arising out of the contractual relationship is the place of HEKOMATIC's registered office. This also applies if the contractual partner moves their domicile or habitual residence outside of Germany after the conclusion of the contract or if their domicile or habitual residence is no longer known.