

General Terms and Conditions of Sale and Delivery

I. General provisions - Scope of validity

ZEITLAUF[®]'s Terms and Conditions of Sale and Delivery shall be applicable for both this and each and every future Contract which is or will henceforth be concluded between you (hereinafter referred-to as "Buyer") and ZEITLAUF[®] GmbH antriebstechnik & Co KG. ZEITLAUF[®] (hereinafter referred-to as "ZEITLAUF[®]") will not acknowledge or accept any of the Buyer's conditions and terms which are contrary to its own conditions and terms and which diverge from ZEITLAUF[®]'s own Terms and Conditions of Sale and Delivery, unless it will have been expressly and specifically confirmed by ZEITLAUF[®] in writing that the same shall be valid and applicable. ZEITLAUF[®]'s Sales Conditions and Terms shall also apply in those cases where ZEITLAUF[®] proceeds to the unconditional delivery of its products to the Buyer in full awareness and knowledge of the Buyer's contradictory or diverging terms and conditions, or of the fact that the Buyer's terms and conditions do diverge from ZEITLAUF[®]'s own Terms and Conditions of Sale and Delivery. ZEITLAUF[®] expressly and specifically objects to any and all purchasing terms and conditions of the Buyer, which are contrary to or conflicting with its own terms and conditions.

II. Offer and confirmation of purchase order

1. ZEITLAUF[®]'s offers are and shall be non-binding and subject to alteration. Supply and delivery contracts shall not be binding unless and until ZEITLAUF[®] will have confirmed any one order, unless a contract will have been made in writing. If any one order is to be qualified and considered as an offer made under the provisions of Section 145 of the German Civil Code, ZEITLAUF[®] can accept the same within a term of four weeks. No collateral covenants, agreements, commitments and undertakings shall become valid and effective unless and until they will have been included in and made part of the confirmation of the respective order or they will have been confirmed in writing.
2. If any offer were to be submitted without separately showing and indicating the pertinent statutory turnover or value-added tax, then it shall be deemed that the statutory turnover or value-added tax is to be added to the price or prices quoted in such offer.
3. ZEITLAUF[®] reserves any and all proprietary and copyrights in and to cost estimates, drawings and all of its other documentation and paperwork. Such documents and papers shall not be used, duplicated, reproduced or made accessible or available for any third party or parties for any other purposes, even if they are not subject to or covered by any statutory valid copyright protection titles.
4. The papers and documents which are part of the offer, such as figures, illustrations, drawings, weight and measurement data and dimensions shall be of an approximative governing character only, unless they are or will expressly be defined as binding.

III. Prices and conditions of payment

1. Unless it is or will be otherwise provided and agreed upon, prices shall be valid ex works, plus shipment and packaging costs, with the respectively valid statutory value-added tax having to be added thereto.
2. ZEITLAUF[®] shall be entitled to correspondingly pass on any and all increases in salaries, wages and materials costs which will take place after the 31st of March of any one current year. This shall also apply for deliveries or partial deliveries which are or will be confirmed by a confirmation of an order that will be given prior to the 31st of March, but where it is agreed between the parties that such deliveries will not be made until after the 31st of March of any one current year.
3. As a matter of principle all payments shall be made within a time period of 30 days after the date of the invoice, such payments to be received by ZEITLAUF[®] within said term of 30 days. Payments for straight labour wages shall be owing and due within a term of 10 days after the date of the invoice. All costs and expenditures which will accrue on the part of and which will be charged by the Buyer's bank for the payment order, shall be paid for by the Buyer. ZEITLAUF[®] draws the Buyer's attention to the fact that ZEITLAUF[®] has introduced and adopted an extra-judicial dunning system which comprises two phases or dunning steps only.
4. If the Buyer were to give rise to any delay or default in delivery, such as, for instance, when it comes to the provision and supply of materials by the Buyer, then the payment term within which payment for such merchandise shall be due and owing, shall commence as per and with the date when notice is given that the merchandise concerned is ready for shipment and dispatch.
5. Retention of payments or setoff on the grounds of any counter-claims which are asserted by the Buyer but which are contested by ZEITLAUF[®] shall be inadmissible.

IV. Retention of title

1. Any and all merchandise which has or will have been delivered by ZEITLAUF[®] shall remain ZEITLAUF[®]'s property up to the time where all the claims, receivables and sums owing, which may be due to ZEITLAUF[®] as a result of or ensuing from the Buyer's business relationship with ZEITLAUF[®], as well as all those claims which may yet arise in a context with the object or objects, items, products or services sold as conditionally sold merchandise will have been paid in full. In any such case where the Buyer were not to comply with or commit any

breach of any of the provisions of this contract, more particularly in the case of default in payment, ZEITLAUF® shall be entitled to cancel the sale and to take any such so sold object or objects, items or products back. Following the taking back and recovery of any such object or objects, items or products sold, ZEITLAUF® shall be entitled to realize or sell the same, with the proceeds of such realization or sale - less adequate costs incurred for any such realization or sale - to be deducted from the Buyer's debts or amounts owing.

2. The Buyer shall be obliged to carefully treat and handle the object or objects sold to it, and the Buyer shall, more particularly, be obliged to sufficiently and at Buyer's own expense, insure the same for the original or replacement value of such object or objects against fire, water and theft damage.

3. In case of attachments or seizures of property or any other interventions by any third party or parties the Buyer shall immediately advise ZEITLAUF® thereof in writing so that ZEITLAUF® may bring third-party action against any such execution.

4. The Buyer shall be entitled to, as part and in the course of Buyer's regular business operations, (re-)sell ZEITLAUF®'s objects, items or products sold to it, but the Buyer shall already as of now transfer, cede and assign to ZEITLAUF® any and all claims and sums which are and will be due to the Buyer by its customers or by any third party or parties as a result of such (re-)sale by the Buyer, such transfer, cession and assignment to cover the amount of the final sum invoiced by ZEITLAUF® to the Buyer, which shall apply regardless of whether the object or objects sold was or were (re-)sold without or following further processing. ZEITLAUF® agrees and obliges itself not to collect any such claim as long as the Buyer will comply with Buyer's payment obligations, making such payments out of its proceeds collected, as long as the Buyer will not be in default with its payments, and, more particularly, no petition for institution of bankruptcy or composition proceedings will have been filed, or Buyer's payments are subject to cessation or suspension. In either one of these cases the Buyer shall be obliged to provide any and all information which is and will be required for purposes of collection and relating to the third party debtor or debtors, and it shall have to inform the latter of such transfer, cession and assignment to ZEITLAUF®.

5. If the object or objects, items or products sold is, are or will be processed or assembled with any other components, objects or items which do not belong to ZEITLAUF®, then ZEITLAUF® shall acquire a co-ownership right and title in and to the new object or objects, such co-ownership title to be equivalent to the value which the said object sold has in relation to the value which the said other processed or assembled objects or items have at the time of such processing or assembly.

6. In the event where it were to be required to enforce said claim ensuing from such retention of title, the Buyer already as of now declares that it will tolerate and allow for its respective business premises to be entered for the purposes of recovery of said conditionally sold merchandise.

V. Passage of risk

1. Delivery shall be made ex works Lauf. Delivery shall be deemed to have been fulfilled as per and with the takeover and acceptance of the merchandise or as soon as the consignment will be ready for dispatch.

2. Even if it was agreed upon that delivery will be made carriage paid, the risk shall pass on to the Buyer as soon as the consignment is or will be made ready for shipment or collection or was collected at the place of manufacture.

3. In the absence of any pertinent instructions from the Buyer ZEITLAUF® reserves the right of determining shipping routes and transport means, it being understood that ZEITLAUF® shall not be obliged to choose the least expensive type of shipment.

4. Packaging costs will be invoiced by ZEITLAUF® at cost prices only. As far as this will be possible ZEITLAUF® shall covenant and agree on a low or reasonably priced type of shuttle or commuting packing with the Buyer.

5. If the Buyer so wishes ZEITLAUF® shall provide for transport insurance coverage for any one consignment, with the costs accruing therefore to be paid for by the Buyer.

VI. Delivery and acceptance periods

1. All the information given with respect to delivery periods and delays shall at all times be of an approximative nature only and shall be non-binding, unless it will have been otherwise provided and agreed upon.

2. The due observation of any and all delivery delays and deadlines shall be subject to the timely receipt of all of the documentation, papers and information, required licenses and permits, releases, materials, components and supplies which are to be provided by the Buyer, as well as to the due compliance with the agreed-upon payment terms and conditions and all other appurtenant obligations. In those cases where any parts or components are to be provided and supplied to ZEITLAUF® by the Buyer, any and all delivery periods, delays and deadlines which will have been covenanted and agreed upon can only be duly respected and complied with, if such parts or components to be so provided and supplied will have been received in ZEITLAUF®'s premises at the latest four weeks prior to the expiration of the given delivery delay or deadline.

3. Any and all interruptions or stoppages of business and production operations of whatever kind or description, as well as all instances of force majeure or unforeseeable circumstances or impediments, which are or will be beyond ZEITLAUF®'s scope of influence or control, shall entail a reasonable extension of the delivery period. If this were to lead to or entail a situation where the adherence to and maintenance of the contract were to become unacceptable or intolerable for either the Buyer or ZEITLAUF®, then both contracting parties shall be entitled to rescind and terminate the contract.

4. In the event where ZEITLAUF® were to be responsible for any non-compliance with given time periods or deadlines, the Buyer shall, after having granted ZEITLAUF® a reasonable additional time period of at least 18 work days for ZEITLAUF® to either deliver and perform under the contract or provide for remedy (by either re-working and repair or replacement of defective products), be entitled to terminate and rescind the contract. Such right of rescission shall become null and void in so far and to the extent where the neglect of duty which is constituted by any such non-compliance with given time periods or deadlines turns out to be of an insignificant

character. Over and above that and provided that the Buyer will have unsuccessfully granted ZEITLAUF® a reasonable additional period of time for either delivery or remedy, the Buyer may claim damages subject to such claim or claims being duly supported by appropriate evidence. Any such claim asserted in case of belated delivery shall be limited to 0.5 % of the net value of the merchandise so delivered for each full week of belated delivery, but in each and every case it shall be limited to a maximum of 5 % of the net value of said merchandise. The right to claim damages shall be barred and precluded, if the neglect of duty which is constituted by ZEITLAUF®'s failure to comply with and respect given time limits or deadlines is of an insignificant character only. All further or farther-going claims for indemnification of the Buyer shall be barred and precluded, even in cases of belated delivery and following the expiration of an additional time period granted to ZEITLAUF®, unless such damage will be due to either intent or gross negligence on the part of ZEITLAUF®.

5. If any one order is to be delivered in the form of partial shipments, the Buyer shall be obliged to accept the same, if and when the delivery of the remainder of said merchandise will be made in two supplementary consignments at the most.

VII. Skeleton delivery orders

1. If a Skeleton Delivery Agreement is or will be made and concluded by the parties hereto, the period of time within which the Buyer will have to take and accept delivery shall be 12 months beginning on the date of the confirmation of the order, unless it will have been otherwise provided and agreed upon in writing. In accordance therewith deliveries which are to be made under such a Skeleton Delivery Agreement shall be scheduled for and over a period of 12 months following delivery and acceptance of the first partial shipment, such deliveries to be made in and by the resulting partial shipments. Following the expiration of said acceptance period ZEITLAUF® shall be entitled to, in its discretion and at its option, either invoice the remainder of the merchandise or give notice to the Buyer that Buyer is in default of acceptance, and ZEITLAUF® shall then be entitled to claim damages. The lump sum amount of such damages shall be 25% of the order value. The Buyer is given the express permission to submit evidence to prove that the damage has been less, but by the same token ZEITLAUF® reserves the right to submit evidence to prove that its damage was higher.

2. Unless it is or will be otherwise provided and agreed upon ZEITLAUF® shall be entitled to pass on and invoice any and all increases of materials costs and of salaries and wages costs to the Buyer, in so far and to the extent where the handling and processing of order/s given in the form of and under any one Skeleton Delivery Order will cover a time period which will be in excess of 12 months.

VIII. Provisions and supply of materials and components

1. ZEITLAUF® shall not be liable for the technical operability nor for any quality defects or failures of any components or parts which will have been provided and supplied to it by the Buyer. ZEITLAUF® reserves the right to refuse to incorporate or assemble materials and semi-finished products so provided and supplied by the Buyer, if the same will not comply with ZEITLAUF®'s quality specifications, standards and requirements.

2. If the provision and supply of such materials will be effected as part of and under a skeleton order and agreement and if any such materials will be received after the expiration of an additional delay granted under No. VII.1 hereof, then the Buyer shall be obliged to accept delivery of and pay for the products sold to it by ZEITLAUF® under the contract without the materials so provided and supplied too late being incorporated in or assembled with the same.

IX. Warranty, Liability

It is by means of ZEITLAUF®'s DIN ISO 9001 quality assurance system as well as by yet further and additional in-company quality assurance measures and procedures that ZEITLAUF® guarantees and warrants a maximum of reliability and faultlessness for its products. If any faults, defects or deficiencies were nevertheless to occur or were to be found in any individual specific instances, then the following provisions shall apply :

1. In those cases where articles are supplied from ZEITLAUF®'s standard program modular system it shall be deemed that the agreed-upon quality and features of the goods concerned is the quality or nature which is specified in the respective sales brochure(s).

2. If quantities delivered will be found to be slightly different from quantities specified in the confirmation of the order, the Buyer shall accept the same in so far as the Buyer can be reasonably expected to tolerate such difference. It shall be deemed to be a reasonably tolerable difference, if excess or short deliveries are or will be no more than 5 % of the quantity which was respectively ordered.

3. The Buyer's warranty rights shall be valid and applicable subject to the Buyer having duly and properly complied with Buyer's duties of inspection and verification and other obligations such as the same are provided and prescribed under Sections 377 and 378 of the German Commercial Code.

4. In the case of geared motors of which samples were supplied to and tested by the Buyer prior to the Buyer's placing of a purchase order, no warranty will be given by ZEITLAUF® if such geared motors were not sufficiently tested to verify their performance, quiet running and useful life under working conditions.

5. In so far as the object or objects, items, products or services sold by ZEITLAUF® will have any defect or deficiency for which ZEITLAUF® is responsible, ZEITLAUF® shall, in its own discretion and at its option, be entitled to either correct and remedy such defect or deficiency by re-working or repair, or provide for substitute delivery in replacement thereof. In cases where a defect or deficiency is or will be corrected and remedied ZEITLAUF® shall pay for any and all expenses which will be required and will be incurred for the purposes of correction and remedy of such defect or deficiency, more particularly for transport, travelling, work and materials costs and expenses, except in so far as the same will be increased due to the fact that the object or objects sold was or were taken to a place other than the place of performance.

6. If ZEITLAUF® will either not be willing and prepared or unable to provide for the correction of and remedy for any such defects or deficiencies or to effect and ensure a substitute replacement delivery instead, more

particularly if any such action were to be delayed beyond reasonable time limits for reasons for which ZEITLAUF® is or will be responsible, or if the correction of and remedy for or repair or of any such defects or deficiencies will in some other way turn out to fail, then the Buyer's rights shall be limited to a right to delivery of non-defective products. The Buyer shall be and is expressly and specifically permitted to reserve the right to demand reduction of the purchase price, if remedy by re-working or repair of any such defects or deficiencies or delivery of non-defective products were to fail.

7. Any and all farther-reaching or further claims of the Buyer shall be barred and precluded, regardless of what the underlying legal grounds may be. ZEITLAUF® shall, therefore, not be liable for damages which were not occasioned or caused on the specific product or item delivered as such by ZEITLAUF®, and more particularly ZEITLAUF® shall not be liable for any losses of profit or other economic losses or losses of property, unless such damage was caused by either intent or gross negligence on the part of ZEITLAUF®. In case of a merely negligent neglect of duty by ZEITLAUF®, ZEITLAUF®'s liability shall be limited to foreseeable damage of a nature which is typical for the particular type of contract involved.

8. ZEITLAUF® warrants the faultlessness of its product or products for a period of one year following the delivery thereof.

9. Justified notices of defects or deficiencies shall not affect the execution and implementation of the contract in other parts thereof, more particularly of any partial deliveries which are to be made thereunder, nor shall they affect or have any bearing upon the dates which were agreed upon for payment. In any such instances the right to therefore withhold any payments which are or will be due and owing shall be barred and precluded, unless the value of the goods delivered is exceeded by the payments which have already been made.

10. If the Buyer is aware of any one defect or deficiency, and if improper changes, modifications and repair work were to be done on any such product or products by the Buyer, then any and all improper modification and repair work or improper use and handling by either the Buyer or by any third party or parties shall nullify and invalidate ZEITLAUF®'s warranty obligations.

11. By way of acknowledgement of the American and other applicable export legislation (especially German), the orderer undertakes the obligation to obtain all necessary export licenses and other required documents at his own expense prior to exporting products or technical information he has received from ZEITLAUF® GmbH antriebstechnik & Co KG.

X. Export Control

The customer undertakes not to directly or indirectly sell, export, re-export, to supply or pass on in some other way products and technical information to persons, companies or countries if this infringes American or other (particularly European and German) laws and ordinances.

The customer undertakes the obligation to inform all recipients of these products or technical information of the necessity to obey these laws and ordinances. Refusal of an export license does not entitle the customer to cancel the contract or to demand compensation.

XI. Severability clause

If any of the foregoing provisions were to be or become nul, invalid or void, then this shall, in case of doubt, not affect the validity of the other remaining provisions. The General Terms and Conditions of Sale and Delivery ZEITLAUF® GmbH antriebstechnik & Co. KG shall rather remain valid and in force, and the invalid or void clause shall then be replaced by a permissible clause which shall be as close to the purpose of the contract as will be possible.

XII. Place of jurisdiction and venue and applicable law

It is covenanted and agreed that the place of performance for all statutory and agreed-upon obligations which are to be met and fulfilled hereunder by the Contracting Parties, shall be Lauf. The place of jurisdiction and venue for any and all disputes and cases of litigation arising or ensuing directly or indirectly out of existing contractual relations shall be the Court of Justice which will be competent for jurisdiction for the head office of ZEITLAUF® GmbH antriebstechnik & Co. KG.

All contractual relations existing between the Buyer and ZEITLAUF® shall exclusively be governed by German law and the German version of these Terms and Conditions shall be governing.

Status 12/2008

ZEITLAUF® GmbH antriebstechnik & Co KG

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