

General Conditions of Sale and Delivery

GENERAL PROVISIONS

Contracts of sale and other supply contracts are concluded on the basis of our General Conditions of Sale and Delivery below. They are applicable exclusively vis-à-vis companies and public authorities. By accepting our offer the purchaser/party ordering (hereinafter called "customer") declares its acceptance of our General Conditions of Sale and Delivery. We expressly oppose any deviating terms from our General Conditions of Sale and Delivery; these deviating terms shall not apply unless we have agreed to them in writing. Our General Conditions of Sale and Delivery shall also apply to future contracts of sale and other supply contracts, even when not expressly referenced. Where the requirement of the written form is provided for in these terms and conditions, it shall be deemed to be satisfied where transmission takes place by means of telecommunications (e.g. e-mail, telefax).

I. OFFERS

Offers, including their accompanying items of documentation, such as illustrations, drawings and measurements are only approximate and not binding. We reserve rights of ownership and copyright to cost estimates, drawings and other documents. They may not be made available to third parties.

II. SCOPE OF SUPPLY/WASTE DISPOSAL

1. Our written order confirmation is authoritative with regard to our deliveries. Protection or safety devices are not included unless they have been agreed in writing. To be valid, any ancillary agreements or amendments must be made in writing.
2. We shall be entitled to make partial deliveries.
3. Electrical accessory equipment of other suppliers that accompany our products can be returned via the standard waste disposal channels. The manufacturers assume the duties related to the return of these items as provided for in the German Electrical Equipment Act.

III. PRICES, INVOICING AND PAYMENT

1. Our prices and the amount payable by the customer upon execution of the order are dependent on the general development of prices or values of goods and services on the market, which have a direct impact on our cost prices for the execution of the order (i.e. collective wage agreements or changes in material prices, etc.). Changes (increases or reductions) in such input costs will be passed on to our customers to the full extent insofar as they affect our prices as a cost element. We will furnish proof of any such changes at the customer's request.
2. Invoices are issued as soon as we have completed everything required to fulfill the contract so that the actual physical control of the item to be supplied can pass to the customer.
3. Payments shall not be regarded as having been received until the amounts involved become available to us.
4. Where the customer falls into arrears with payment – in the event of agreed payment by installment with an installment –, whether in whole or in part, we may, without prejudice to our rights under V14., withdraw from the contract after a reasonable period of grace set by us has passed without result and demand compensation in lieu of performance.
5. The interest payable on arrears shall amount to 9 percentage points above the base interest rate. Lump-sum damages of €40.00 shall be payable for outstanding claims for payment. This sum will be credited towards the compensation owed where the loss is founded upon the costs of bringing legal

action. We reserve the right to claim higher damages for arrears and default.

6. The customer shall not be entitled to offset claims against outstanding amounts owed us, unless the customer's claims for set-off are undisputed or final and non-appealable, or they originate from the same contract as our claim. The customer may assert a right of retention only for claims arising from the same contract.

IV. DELIVERY TIME, RESERVATION OF SELF-SUPPLY

1. Stated delivery times are without obligation. Agreed delivery times shall begin with the sending of our confirmation of order, though not before receipt by us of documents, permits, clearances to be obtained by the customer and of an agreed deposit. The delivery time shall be deemed to have been observed if the item to be supplied has left the works before it passes or notice has been given of readiness for dispatch.
2. In the event of force majeure or other events hampering delivery the delivery time shall be extended accordingly provided that these circumstances are not attributable to us.
3. Where we have not been supplied by a third-party supplier for reasons beyond our control, we may withdraw from the contract if we are unable to agree with the customer on an alternative solution, such as postponing delivery to a later date. We will inform the customer of any non-delivery or untimely deliveries by our third-party suppliers without undue delay. In the event that we withdraw from the contract we will immediately refund the customer for payments already made by it, as provided for by law.
4. The customer may set us a reasonable grace period in writing four weeks upon the passing of a non-binding delivery date. After the expiration of the grace period without result the customer may withdraw from the contract by giving us notice in writing, where the delay is attributable to us.
5. Where the customer delays shipment, storage costs of 0.5% monthly of the invoice amount shall be payable as from the second month.

V. PASSAGE OF RISK/ACCEPTANCE/LOGISTICS MANUAL

1. We supply ex works. If the customer is a trader as defined by the German Commercial Code, risk shall pass to it with notice of readiness for dispatch, but no later than at the time of handover to the forwarder/carrier. Risk shall pass to other customers upon handover of the item to the forwarder/carrier. If requested by the customer we will insure the item at the customer's expense against breakage and damage in transit and fire and water damage. Unless the customer arranges transport itself, we will commission the carrier on behalf and at the expense of the customer.
2. The customer shall be entitled to reject acceptance of the item only if it obviously differs from the order.
3. Our Logistics Manual shall constitute an integral part of the contract (available on our website at: www.hydac.com→Support→Container Management).

VI. RETENTION OF TITLE

1. We reserve title to all items supplied by us until receipt in full of all payments due under the delivery contract. Where the customer is a merchant as defined by the German Commercial Code we reserve title to all items supplied by us until we have received payment in full for all outstanding amounts arising from the business relation with the customer.
2. Processing of items supplied by us and to which we still have title is always done on our behalf, however without any obligation arising for us. Where the items owned by us are mixed, blended or joined with other items, the customer hereby already assigns its rights of ownership or co-

ownership of the new item to us and shall keep the item in safe custody for us.

3. The customer may sell the items owned by us in the ordinary course of commerce only if it is not in arrears with payment. On signing the contract the customer shall by way of security assign to us in full the amounts due from its own customer with all accessory rights from the sale or based on other legal grounds. The customer shall remain entitled to collect the amount receivable as long as it is not in arrears with payment towards us.
4. For the duration of the retention of title the customer shall be obligated to maintain the goods subject to retention of title in good repair and have any maintenance and repair work that might be required performed immediately. Where the customer falls into arrears with payment or does not comply with its obligations associated with the reservation of title, we may rescind the contract after a reasonable period of time granted by us has expired without result and claim the item supplied back from the customer.
5. Merchandise subject to the reservation of title may not be pledged, assigned as security, leased or passed to third parties unless with our written consent.
6. In the event of third parties having access to merchandise subject to the reservation of title, in particular in the event of seizure, the customer shall notify us immediately in writing and advise the third party of our reservation of title. The costs for the actual and legal pursuance of our ownership transferred for security purposes shall be paid by the customer, insofar as this property cannot be recovered from third parties.

VII. WARRANTY/LIABILITY FOR MATERIAL DEFECTS

We assume liability as follows for defects of the item supplied, to the exclusion of further claims, notwithstanding section IX:

1. The customer shall inspect goods immediately upon receipt and notify us of any defects immediately in writing. In the event that the delivered goods are defective at the time of the passage of risk, we shall be entitled at our discretion to remedy the defect or supply a fault-free replacement. Replaced parts shall become our property and shall be returned to us.
2. The customer is obligated to enable us to remedy the defect, i.e. give us access to the item supplied in the customer's possession.
3. The customer shall not be entitled to remedy defects itself or have them remedied by third parties, unless we are in default with remedying the defect or the customer is forced to remedy the defect to avert imminent danger. In this case, remedying of the defect may only be done by properly qualified and trained personnel and using original replacement parts.
4. If the repairs or replacements fail to produce the desired results for reasons attributable to us or if we fail to meet a deadline for remedying defects for reasons attributable to us, the customer may at its discretion reduce the contractual price or rescind the contract pursuant to the relevant statutory provisions.
5. The customer shall not be entitled to enter any claims for alleged defects where it has violated the terms or conditions of section VII. 2. or section VII. 3.
6. No claims for alleged defects shall be accepted by us for improper installation, start-up, usage, handling, storage, maintenance or servicing, repair, reconditioning or modification of the supplied item(s) by the customer or third parties, for damage to the item(s) supplied due to normal wear and tear, employment of unsuitable operating media, or for other circumstances attributable to the customer or third parties. We shall assume no liability for the suitability for use of the item(s) supplied or its/their suitability for incorporation into any system, or for interfaces with any systems. In the

case of prototypes, our liability for the results of their design and development work shall terminate upon their being released for production.

7. The place of performance for remedying defects shall be the place of performance of our key obligation under the contract. However, we shall be entitled to remedy defects at the respective site where the item is located.

VIII. EXPIRY OF CLAIMS

All claims on the part of the customer shall become time-barred one year after the date on which risk is transferred. Any remedying of defects shall have no bearing on this limitation period. The statutory periods shall apply to willful, gross negligent or fraudulent conduct as well as to claims under the German Product Liability Act (ProdHaftG). These periods as prescribed by law shall also apply in the event of negligent causation of harm to life, limb and health.

IX. DISCLAIMER OF LIABILITY

1. Unless provided for otherwise below, we shall assume no liability whatsoever, regardless of the legal grounds on which any such liability may be founded.
2. This disclaimer of liability shall not apply to cases of willful intent or gross negligence. Moreover, it shall also not apply to defects fraudulently concealed or whose absence was guaranteed, or in the case of negligent causation of harm to life, limb and health, or the violation of a material contractual obligation.
3. In the event that we should negligently breach any material contractual obligation, our liability shall be limited to the reasonably foreseeable loss.
4. However, this shall be without prejudice to claims under the German Product Liability Act (ProdHaftG) in any event.
5. We accept no lump-sum damages where they are not provided for by law.

X. RIGHT TO REFUSE TO PROVIDE SERVICES

We shall be entitled to refuse to provide services where and insofar as providing them would be unreasonable, due to circumstances beyond our control. The provision of services shall be deemed to be unreasonable in particular in the event that we would be forced to provide them in a country for which the German Ministry of Foreign Affairs has issued a travel warning or a travel advisory containing safety and security recommendations equivalent to a travel warning.

XI. MISCELLANEOUS PROVISIONS

1. The place of performance shall be the registered office of our company. This shall also be the exclusive place of jurisdiction for all disputes arising from the business relationship with the customer, where the customer is a merchant as defined by the German Commercial Code. However, we reserve the right to bring action against the customer at the customer's domicile. The relations between the customer and us shall be governed and interpreted exclusively in accordance with the laws of the Federal Republic of Germany, to the exclusion of the UN Convention on Contracts for the International Sale of Goods (CISG).
2. The customer agrees to be bound by our Business Code (available on our website at: www.hydac.com → Company → Business Code).
3. If any of the above provisions should prove void or unenforceable, it shall not in any way or manner affect the validity or enforceability of any other provision hereof.