

**Terms of Delivery
and Payment****- effective as of April 25, 2016 -****I. General Provisions**

1. All supplies and performances shall be governed by the present Terms and by separate contractual agreements (if any). Deviating terms of purchase of the Client do not become part of the contractual covenant even upon acceptance of the order. Unless agreed otherwise, the contract comes into existence upon written confirmation of the order by the Supplier.

2. The Supplier reserves the title of ownership and copyright to designs, cost estimates, drawings and other material and non-material information – and be they in electronic form; they must not be made available to third parties.

The Supplier undertakes not to make available to third parties any such information and documents as are labeled confidential by the Client, unless it has the Client's consent.

II. Prices and Payments

1. Unless agreed otherwise, prices are ex works, including loading for transport at the works but excluding packaging and unloading. VAT in the applicable statutory amount shall be added to the prices.

2. Unless agreed otherwise, payment must be made without any deductions to the Supplier's account as follows: 40% advance payment upon receipt of the confirmation of the order; 50% upon notification of the Client that the main parts are ready for shipment; 10% immediately upon acceptance (commissioning), though not later than 15 days after delivery.

3. The Client's right to retain payments or to set off payments with counter-claims is limited to instances of such claims as are unchallenged or have been legally recognized.

III. Delivery Period, Delay of Delivery

1. The delivery period ensues from the parties' agreement. Compliance of the Supplier with the delivery period is subject to the parties' mutual understanding with respect to all commercial and technical issues, and to the Client having fulfilled all its obligations such as obtaining the necessary certificates or permits from administrative authorities or making the advance payment. If this is not the case, then the delivery period shall be prolonged accordingly. This does not apply if the Supplier is responsible for the delay.

2. Compliance with the delivery period is subject to correct and timely upstream delivery to the Supplier itself. The Supplier shall notify the Client of imminent delay as soon as possible.

3. The delivery period is deemed observed if the subject of delivery has left the Supplier's works, or been reported ready for shipment, before the delivery period expires. To the extent that acceptance of the goods is required, the date of acceptance, or alternatively the date for which readiness for acceptance was reported, however, the date on which the subject of delivery is put into operation at the latest, is the authoritative reference date (except for cases of justified rejection).

4. If shipment or acceptance of the subject of delivery are delayed for reasons in the responsibility of the Client, the

Client shall be charged such costs as were incurred as a consequence of the delay, beginning as of one month from the notice of readiness for delivery or readiness for acceptance.

5. If non-compliance with the delivery period is due to force majeure, labor disputes, or other events outside the sphere of influence of the Supplier, then the delivery period shall be prolonged accordingly. The Supplier shall notify the Client as soon as possible of the commencement and of the discontinuance of such circumstances.

6. The Client may summarily withdraw from the contract if the Supplier is with final effect prevented from any performance prior to the passage of risk. Further, the Client may withdraw from the contract if part of the performance of a given order becomes impossible and the Client has a justified interest in rejecting the partial performance. If this is not the case, then the Client must pay the contractual price that is related to the partial performance. The same applies to Supplier's incapacity. For the rest, section VII.2 shall apply. If unfeasibility or incapacity arise during default of acceptance, or if the Client is solely or largely responsible for these circumstances, the Client remains obliged to render counter-performance.

7. If the Supplier is in default and the Client suffers damage for this reason, then the Client may demand a lump-sum compensation for default. This compensation is 0.5% per each full week of default, however, not more than a total of 5% of the value of that part of the overall delivery which cannot be used timely, or cannot be used in line with the contract, due to the default. If - in consideration of the statutory exceptions - the Client grants the Supplier a respite for performance after the due date, and the Supplier fails to perform within the respite, then the Client is entitled to withdraw from the contract within the limits of applicable law. Further claims from default of delivery are solely governed by section VII.2 hereof.

IV. Passage of Risk, Acceptance

1. The risk of damage passes unto the Client as soon as the subject of delivery has left the Supplier's works; this applies irrespective of whether performance consists of partial deliveries or whether the Supplier assumed additional obligations such as coverage of the costs of shipment or delivery and installation. To the extent that an acceptance of the goods is required, the date of acceptance shall be the authoritative reference date for the passage of risk. Said acceptance must be performed promptly as at the scheduled date of takeover, or alternatively upon the Supplier's notice of the readiness for acceptance. The Client may not deny acceptance on grounds of an immaterial defect.

2. If shipment or takeover are delayed, or not effected at all, for no fault of the Supplier, then the risk of damage shall pass unto the Client as of the day on which it was notified of the readiness for delivery or for acceptance. The Supplier undertakes to take out, at the Client's cost, such insurance as the Client requires.

3. Partial deliveries are permitted.

V. Retention of Title

1. The Supplier retains the unlimited ownership title to the subject of delivery until receipt of all payments under the supply contract.

2. The Supplier is entitled to insure the subject of delivery against all insurable risks at the Client's cost, unless the

Client has provably taken out such insurance itself.

3. The Client must not put the subject of delivery under pledge or assign it for purposes of the securitization of claims. In the event of attachment, seizure, or other third party encroachments, the Client must notify the Supplier without delay of these measures.

4. If the Client's conduct constitutes a breach of contract, i.e., in particular, if the Client is in default with its payment, the Supplier may upon a pre-collection letter collect the subject of delivery, and the Client must surrender selfsame.

5. The retention of title applies until all (if future) receivables from the transaction between Client and Supplier have been satisfied.

6. The Client is entitled to use the rendered performances and delivered goods. It hereby assigns in advance its receivables towards its business partners which ensue from such usage to the Supplier.

7. Enforcement of the retention of title and seizure of the subject of delivery by the Supplier do not constitute a withdrawal from the contract.

8. A motion for insolvency proceedings entitles the Supplier to withdraw from the contract and demand immediate surrender of the subject of delivery.

VI. Claims for Defects

For material defects and defects of title, the Supplier provides the following guarantees, with the exclusion of further claims (subject to section VII):

Material Defects

1. All such parts which prove defective due to circumstances prior to the passage of risk shall at the Supplier's discretion be repaired or replaced with faultless parts, free of charge. The Supplier must be promptly notified in writing, if any such defects are ascertained. Replaced parts pass into the ownership of the Supplier.

2. Upon consultation of the Supplier, the Client must grant the Supplier the time and opportunity for all such repair work and supplementary performance as the Supplier deems necessary; otherwise, the Supplier is relieved from liability for the ensuing consequences.

Only in urgent cases of imminent danger to operational safety or in order to prevent incommensurate damage is the Client entitled to remove the defect by itself or commission a third party with its removal and to demand compensation of its costs from the Supplier; in such cases, the Client must promptly notify the Supplier.

3. Of the immediate costs incurred as a consequence of the repair work or the supplementary performance, the Supplier bears the costs for the replaced parts and the costs of shipment, provided that the complaint proves justified. Further, the Supplier shall bear the cost of disassembly and installation and the costs for commissioning the necessary fitters and unskilled assistances including travel expenses, unless such compensation of costs would bring about an incommensurate burden for the Supplier.

4. Within the statutory limits, the Client may withdraw from the contract, if the Supplier fails to perform within a commensurate respite which it was granted for repair or supplementary performance, subject to statutory exemptions. If the defect is of an immaterial nature, then the Client is merely entitled to a discount. For the rest, any claims for a reduction of the contractual price are hereby excluded. Further claims are governed by section VII.2 hereof.

5. No guarantee is provided, in particular, in the following cases:

Improper or unqualified usage; faulty assembly or commission by the Client or by third parties; natural wear and tear; faulty or negligent treatment; improper maintenance; unsuitable fuels; defective construction work; unsuitable substrate; chemical, electro-chemical, or electrical influences unless the Supplier is responsible for them.

6. In the event that the Client or a third party perform improper repair work, the Supplier is not liable for the ensuing consequences. The same applies to modifications of the subject of delivery without the Supplier's prior consent.

Defect of Title

7. If usage of the subject of delivery results in an infringement of industrial property rights or copyrights on domestic territory, the Supplier shall principally arrange for the Client's right of further usage at the Supplier's cost, or modify the subject of delivery in a manner acceptable for the Client, such that the infringement no longer exists.

In the event that this cannot be effected under reasonable economic conditions or within reasonable time, the Client may withdraw from the contract. If the aforementioned prerequisites are met, the Supplier is also entitled to withdraw from the contract. For the rest, the Supplier shall hold the Client harmless from any claims by the affected owners of industrial property rights, to the extent that these claims are unchallenged or have been legally recognized.

8. Subject to section VII.2, the obligations of the Supplier listed in section VI.7 constitute the entirety of the Supplier's obligations in the event of an infringement of industrial property rights or copyrights.

They shall come into existence only, if

- the Client promptly notifies the Supplier of any asserted infringements of industrial property rights or copyrights,
- the Client assists the Supplier in its defense against asserted claims to a commensurate extent and enables the Supplier (if applicable) to perform the modification measures envisioned by section VI.7,
- the Supplier retains all means of remedy, including out-of-court settlements,
- the defect of title is not brought about by an instruction of the Client, and
- the infringement is not caused by arbitrary modification of the subject of delivery by the Client or usage of the subject of delivery contrary to the contractual purpose by the Client.

VII. Liability

1. For the event that the Client is unable to use the subject of delivery for the contractual purpose for fault of the Supplier, as a consequence of non-performance, or faulty performance, of proposals and consultations made before or after contracting or of a violation of other secondary obligations of contract – in particular, omission of instructions on how to use and maintain the subject of delivery -, the provisions of sections VI and VII.2 apply mutatis mutandis, with the exclusion of further claims of the Client.

2. For damages other than damages to the subject of delivery itself, the Supplier is only liable in the following events:

- a) intentional acts,
- b) gross negligence on the part of the Supplier's owner / statutory bodies or executives,
- c) culpable injury to life or limb, or the

health of persons,

d) defects which the Supplier concealed with malicious intent, or the absence of which the Supplier guaranteed,

e) defects of the subject of delivery, if the Product Liability Act stipulates liability for personal injury or for material damage caused by non-commercial usage of items. For the event of a culpable breach of material contractual obligations, the Supplier is also liable for gross negligence of other than executive employees, and for mild negligence, whereas its liability is limited, in the latter case, to such damage as is representative for the given type of contract and as could reasonably have been foreseen. Further claims are hereby excluded.

VIII. Services, Repairs, Maintenance General Provisions

Documents that are a part of the Supplier's performance such as illustrations, drawings etc. shall be deemed mere approximations in terms of measures and weights, unless accuracy of measures and weights has explicitly been confirmed. The Supplier reserves the title of ownership and copyright to these documents. They must not be made available to third parties or otherwise used for non-contractual purposes without the Supplier's consent.

If no order is placed, then documents that were individually drafted for the Client must be returned promptly and without being summoned to do so. A specific hazard analysis is not subject of the order.

1. Performance Deadlines

1.1. The agreed date of delivery or completion is binding, unless performance has been rendered impossible for no fault of the Supplier.

1.2. In the event of default, the Client enjoys a claim only if a calendar date was agreed in writing for the commencement and for the completion of performance, and if a commensurate respite was granted, along with a notice that non-performance during the respite would result in the cancellation of the order.

2. Costs for unperformed repair and maintenance orders

Given that the time for investigating defects qualifies as working time, the Client shall be charged for the thus incurred provable expenditure, if an order cannot be performed because

2.1. the reclaimed defect could not be ascertained in observance of the acknowledged standards of technological procedure;

2.2. the Client culpably neglects the agreed appointment;

2.3. the order was cancelled during its performance;

2.4. the requisite peripheral conditions in the case of usage of electronic or microelectronic products are not unequivocally met.

3. Compensation for cost estimates

If a cost estimate is drawn up upon the Client's request, then the costs of such estimate shall be reimbursed on a time basis.

4. Repair and maintenance warranty

4.1. The warranty period for all works and for installed material is 12 months. Fuels, tools, expendable items, and wearing materials are exempt from warranty.

4.2. The Client must grant the Supplier within reason the necessary time and opportunity to remove defects. In particular, the Client must ensure that

the reclaimed item is available to the Supplier, or the Supplier's agent, for inspection and repair. If this availability is denied or delayed, the Supplier is relieved from liability for defects.

4.3. The following instances are exempt from warranty: defects caused by damaging acts, faulty connection, or faulty operation; damage due to force majeure; defects or wear and tear as a consequence of excessive strain on mechanical, electromechanical, or electronic parts due to improper usage; defects due to contamination; damage due to extraordinary mechanical, chemical, or atmospheric impact.

4.4. Warranty claims do not expire even upon invasive acts by the Client or third parties with respect to the subject of repair, provided that the Client is able to disprove the Supplier's correspondingly substantiated claim that manipulation of the item caused the damage.

4.5. The Client must remind the Supplier in writing of any obvious defects of the Supplier's performance without delay, however, no later than 5 working days from acceptance or, as the case may be, from the date of execution of the performance protocol; the Supplier is otherwise relieved from liability for defects.

4.6. The Supplier is liable for damage and loss of the subject of the order, to the extent that the Supplier or its agents are at fault. In the event of damage, the Supplier must provide remedy. In the event of impossibility of performance, compensation must be in the amount of the replacement value. Further claims, in particular claims for damage, are excluded except for instances of proven intent and gross negligence.

5. Extended pledge title of the Supplier to movable items

5.1. The Supplier holds a pledge title to such items of the Client of which it acquired possession, on grounds of its receivable from the order for performance or repair. The pledge title may be enforced also on grounds of claims from past performances and repairs, as long as they are related to the subject at hand. The pledge title shall extend to other claims from the business relation only to the extent that these claims are unchallenged or legally recognized.

5.2. In the event that an item which has been surrendered to the Supplier for repair is not being picked up within 30 working days from being requested to do so, the Supplier may charge an appropriate storage fee upon the expiry of that period. If the item is not picked up even within 90 days from being requested to do so, the Supplier is no longer obliged to store the item and is relieved from any liability for damage or destruction. Upon the expiry of that period, the Supplier is entitled to sell the item at market value in order to satisfy its claims. Revenues in excess of these claims must be paid out to the Client.

6 Retention of title in the case of repair or maintenance.

To the extent that installed spare parts do not constitute a material component, they remain the Supplier's property until all receivables under the contract have been satisfied. If the Client is in default with its payments, or fails to meet its obligations under the retention of title, then the Supplier may demand the removal of the installed parts. The Client bears all costs for recovery and removal. If the repair work takes place on the Client's premises, then the Client must enable the Supplier to perform the removal on site. Overhead and travel

costs are at the expense of the Client. If the Client does not provide for the opportunity to remove the respective parts, it is obliged to surrender selfsame.

7. Prices, terms of payment

7.1. All listed prices are final and ex Supplier's works, plus VAT in the statutory amount.

7.2. All invoiced amounts are due and payable immediately upon issuance of the invoice, in a one-time installment. Partial payments require a prior written agreement to that effect. 7.3. If the Client is in default with its payment obligations, then the Client must compensate the incurred damage of default at least in the amount of provable interest charges by banks.

7.4. Performances that are not part of the order and for which no supplementary quote has been requested or given shall be billed based upon material expenditure and working hours. The bill of assembly or delivery serves as proof of performance.

7.5. Orders for which the period of performance exceeds 30 calendar days are subject to a payment on account in the amount of 90% of the respective performance value. These payments on account shall be charged by the Supplier and are due and payable within 10 days from the date of the invoice.

IX. Statute of Limitation

All claims of the Client – on any legal grounds whatsoever – are subject to a 12-month statute of limitation. For claims for damages pursuant to section VII. 2 a-e, the statutory periods apply. These also apply to defects of a building, or subjects of delivery that were used for a building in line with their customary purpose and caused the building to be defective.

X. Usage of Software

To the extent that the scope of delivery includes software, the Client is granted a non-exclusive right to use the delivered software and its documentation. Software is provided for usage with the intended subject of delivery only. Usage of the software on more than one system is prohibited.

The Client may duplicate, modify, or translate the software, or convert its object code to source code, only within the statutory limits (Sec. 69a et seq. of the German Copyright Act). The Client undertakes to refrain from removing, and from modifying without the Supplier's explicit prior consent, any manufacturer's statements, in particular copyright notices. All other rights to the software and its documentation and all copies remain with the Supplier or, as the case may be, the software supplier. Sublicensing is prohibited.

XI. Applicable Jurisdiction, Venue

1. All legal relations between the Supplier and the Client are solely governed by the applicable provisions of German law.

2. The venue for judicial disputes is the court of the Supplier's registered office. However, the Supplier is entitled to file a lawsuit at the registered location of the Client's headquarters.

3. This text in its German version is the sole authoritative text. All translations into other languages are supporting measures without the legally binding power of these provisions.

4. Subject to a different agreement in writing, these Terms shall apply both

domestically and abroad.

5. Any previous terms shall be without substance as of January 1, 2003, unless orders have been accepted under previous Terms and not yet performed.