

GENERAL TERMS OF SALE

I. Conclusion of Contract, Scope of Delivery

1. Any contract of sale shall become effective on the date the Orderer receives our written confirmation of order or on delivery of the goods whichever occurs first. Any offer which may have been previously submitted by us shall be without prejudice and not binding upon our Company. The Orderer shall be entitled to withdraw his order (offer to enter into a contract) by a declaration in writing if the order has not been confirmed by us in writing within one month of receipt.
2. Any contract of sale shall be subject to our General Terms of Sale unless special conditions have been agreed upon. In case our confirmation of order differs from the order, the contract shall become effective on the terms of the confirmation of order unless the Orderer raises objections immediately. It is herewith stated explicitly that the Orderer's purchase conditions shall not be applicable even if exclusive application of the latter is requested in the order; they shall not apply whether or not we repeat our objection at the time the contract comes into effect. Our General Terms shall be deemed as being accepted by the Orderer at the time he takes delivery of the goods, at the latest.
3. Any performance data, consumption figures, weights, measurements etc. shall be considered only as a guidance unless we have explicitly stated that they are binding upon us. We reserve the right to modify the design of any item of supply till the time of its completion.
4. Our General Terms of Sale shall also apply to future supplies of spare parts and accessories regardless of whether reference to our General Terms of Sale has been made or not.
5. In the case of contracts which include the delegation of personnel for the erection or installation of machinery, the Orderer shall make all necessary arrangements so that work can be started immediately upon their arrival.

II. Delivery

1. The delivery period can only be complied with if the Orderer meets his contractual obligations especially those regarding punctual of agreed means of payment and prompt submission of import licence, foreign exchange permit, transfer permit etc.
2. If circumstances arise which are beyond our control, regardless of whether with our own Company or with our subcontractors, the delivery period shall be reasonable extended.
3. If in exceptional circumstances the delivery date agreed upon should be exceeded by more than 6 weeks, the Orderer shall be entitled to specify a reasonable additional respite and to withdraw from the contract by written notice at the end of the said respite should we continue to be in default; any further claims, especially those for damages for nonperformance or delay shall be excluded. If the delay in delivery is caused by forces beyond our control, the 6 week period is replaced by a period of 6 months.
4. If we are unable to execute an order for any reason (e.g. modification of model or subsequently

established relative impossibility of delivery) or if its execution would involve unreasonable difficulties, we shall be entitled to rescind the contract and be liable to reimburse only the downpayment already received with the exclusion of any further liability.

5. We shall be entitled but not be obliged to insure the goods against transport risk at the Orderer's expense unless he has requested us in writing to do so.
6. Partial deliveries shall be permissible. In case of negligible defects, the Orderer shall only be entitled to file guarantee claims, but he shall not be entitled to refuse acceptance of the goods delivered.

III. Time of Passing of Risk

1. Any risk of destruction (total loss), either accidental or caused by a third party, or deterioration of (or damage to) the goods shall pass to the Orderer at the time they leave our works. If transfer is delayed for reasons for which the Orderer is responsible, the risk shall pass to the Orderer at the time we are ready to deliver.
2. Any claim to which we are entitled against by a third party, in connection with destruction, or deterioration of the goods shall be assigned to the Orderer if requested.

IV. Prices and Terms of Payment

1. Unless agreement is made to the contrary, the price to be paid shall be understood for delivery ex our **Celle** works, exclusive of packing, transport, erection, insurance and other incidental expenses. The Orderer shall also bear all fees, duties, rates and taxes which may be payable at his place of business or become payable as a result of new legislation. Each contract shall be made in Euro (€) of the European Central Bank/ German Federal Bank. If it provides that the price be paid in a foreign currency, such clause shall only determine the means of payment to be used. The exact amount to be paid shall be the equivalent countervalue of the amount in Euro payable at the official rate of exchange on the day the contract is made.
2. Unless agreement is made to the contrary, all payments shall fall due 30 days after receipt of invoice. Any payment due shall be made in cash without any deduction.
3. Money orders, cheques and bills of exchange shall be accepted only on the basis of special agreement, and then only as a means of payment and not in settlement. Payment shall be deemed as made when the amount is at our free disposal in the Federal Republic of Germany; it shall not be deemed as made if we had the bill discounted or assumed liabilities on a bill discounted by the Orderer himself. Collection and discount charges as well as charges in connection with renewal and further negotiation etc. shall be borne by the Orderer. In case the Orderer's or acceptor's financial status changes for the worse during the term of a bill, or unfavourable information on the Orderer or acceptor is received only after the bill has been accepted by us, we shall be entitled – notwithstanding the acceptance of such a bill – to request the Orderer to make immediate payment in cash or to furnish an appropriate guarantee. Any bill

of exchange or guarantee obtained will also be used as a security for claims to which we are entitled if the goods are taken back by us under the German hire-purchase law.

4. The Orderer shall have the right to retain payments or objects for a set-off with possible counter-claims only to the extent to which his counter-claim is undisputed or has been established as legally binding. We are entitled to set off (Orderer's payment etc.) against all claims we may have upon the Orderer, and set off (our deliveries etc.) against all claims the Orderer may have – on whatever legal grounds – upon us or upon companies in which **MOTORTECH GmbH** hold an indirect or direct majority interest. This also applies to claims which are to be fulfilled by different means of payment (money, bill of exchange, cheque, letter of credit, etc.) in different currencies and on different settlement dates. If the settlement dates of the claims to be set off differ, settlement is to be made in accordance with specified value dates. The Orderer assents that securities, which he has given us or one of the above-referenced companies, stand surety for the claims of all these companies.
5. The Orderer shall not be entitled to assign his claims.

V. Orderer's Default

1. The transfer of the goods is postponed at the Orderer's request, any expenses incurred in connection with this postponement may be charged to him. This provision shall also apply, irrespective of any further claims which we may raise, in case of non-delivery due to delay in payment.
2. In case the Orderer fails to take delivery within one month from date of delivery as originally agreed upon, or from the date given to the Orderer as the day of readiness to deliver, we shall be entitled, without giving any previous notice, to claim and to retain as a penalty for each day of delay an amount equal to 0,5 per cent of the amount of the order, but limited to an aggregate amount of 10% of the latter. Our claim to a penalty shall not affect the liability of the Orderer to take delivery and to pay for the goods. In case of payment being delayed we shall also be entitled to claim interest at the average rate charged by private German banks for short-term overdraft credit, but at least 3% per annum interest above the Federal Bank discount rate in addition to the penalty.
3. If the Orderer is in default, we shall furthermore have the right – after having requested the Orderer to take delivery of and/or pay for the goods within a reasonable period of time not to exceed two weeks – to rescind the contract or to dispose otherwise of the goods and to supply the Orderer at a reasonable later date and at the price then in force.

VI. Reservations of Ownership

1. The goods shall remain our property until the Orderer has met all liabilities including such liabilities as become due on a certain date and conditional liabilities, in particular those claims resulting from this contract and from other purchase, delivery and repair contracts and running account liabilities (balance claim); this also applies if the price for certain deliveries designated by the Orderer is paid or if we accept a bill of exchange, cheque or any other money order. Reservation of Ownership does not only apply to our claims but also to the claims of companies in which **MOTORTECH GmbH** hold an indirect or direct majority interest. If Reservation of Ownership expressly specified herewith is not recognized or only recognized under certain preconditions by the state or country in which the goods are located, the Orderer is obliged to inform us accordingly at the latest upon conclusion of contract. He is obliged to assist in all measures (certification, registration etc.) necessary to establish Reservation of Ownership or an equivalent

locally customary security lien; all costs arising are to be borne by him.

2. For the duration of our Reservation of Ownership the Orderer shall keep the reserved goods in perfect condition and shall have any repairs which become necessary carried out immediately at his own expense. We shall be entitled to inspect the reserved goods at any time.
3. The Orderer shall keep the reserved goods adequately insured against all types of damage at his own expense. We are entitled to disburse the insurance premiums on behalf of the Orderer; such disbursements will be regarded as part of the agreed price. The Orderer herewith assigns all claims from the insurance to us and undertakes to pass on to us immediately all the necessary documentation for claim enforcement.
4. The Orderer agrees to assign to us all parts which have been replaced or added to the goods by him or his representative – unless this replacement or addition has made them part and parcel of the goods – as a further security to cover our claims under the reserved right of ownership; the passing of title becomes effective at the time the part is replaced or added to the goods. Instead of transferring them the Orderer shall keep these parts free of charge and with all diligence usual in ordinary business.
5. The Orderer shall not be entitled to sell, pledge, deposit as security or dispose in any other similar manner of the goods without our express consent in writing. In case of seizure or other measures taken by third parties, the Orderer shall advise us without delay and immediately take appropriate steps, if necessary. If the Orderer sells the goods for which we have reserved the right of ownership, he shall have assigned to us herewith already the whole claim for the purchase price as well as all subsidiary claims to cover our claim regardless of whether the goods have been machined, processed, assembled or connected with other ones.
6. If the value of the claims and real securities so assigned in advance exceed our claim by more than 30%, we shall, upon the Orderer's request, renounce the exceeding portion of such claims and securities.
7. If the Orderer is in default in paying or in complying with any other obligation in connection with our reservation of ownership, the whole balance of his debt shall fall due forthwith including drafts which may not become payable until a later date. If payment is delayed, we shall be entitled to request the immediate delivery of the goods for which we have reserved the right of ownership, and to sell them in the open market to the highest bidder at the Orderer's expense; in case the proceeds do not cover our claims, the Orderer's liability shall continue.
8. Unless there are binding legal provisions to the contrary, the repurchase or seizure of goods under reservation of ownership shall not be deemed to be a rescission of the contract.

VII. Warranty

1. We warrant the goods to be free from defects in design, material and workmanship according to the applicable state of the art, and the work taken over by us to be carried out in a workmanlike manner, our warranty hereunder being limited to repairing or, at our discretion, replacing free of charge any part which has been found to be defective, any further claim reimbursement of transport, installation and removal costs, conversion, decrease in value, reimbursement of any other damage, especially default and consequential damage, damage resulting from the breach of ancillary obligations or assurance of quality shall be rejected. The period of warranty begins to run from the day of passing of risk, for finished products, however, not until they have been put into service or installed, and not later than 3 months from

leaving our works. The period of warranty is 6 months.

2. Regarding parts which are not manufactured by our Company, our warranty shall be limited to assignment of the claims which we against the manufacturer.
3. Parts which are returned to us for replacement shall be sent postage or freight prepaid, and become our property. Only parts found to be defective shall be replaced and only the replaced parts shall be warranted for an additional period which ends 6 months from delivery of these parts.
4. This warranty shall not apply if the goods have been altered by outside personnel or by the installation of equipment other than that of **MOTORTECH GmbH** and if the damage has resulted from this alteration; nor shall it apply if the Orderer has not complied with the instructions regarding the use of the goods (Operating Instructions) or if he has failed to give notice of defects in writing immediately upon their detection but not later than within two weeks thereof.
5. This warranty excludes natural wear and tear as well as damage for which the Orderer is responsible. This also applies to design engineering and material defects if the goods supplied have been built according to design engineering data or from material furnished by the Orderer.
6. No warranty is granted on used goods.

VIII. Hire-purchase

1. If the Orderer is not registered in the Companies Registry, a hire-purchase sale of movable goods is subject to the provisions of the hire-purchase law. In particular this entitles the Orderer to revoke in writing his declaration of intention regarding conclusion of contract within a week after being notified of his revocation right, notification of which is given herewith. Revocation is to be pronounced by **MOTORTECH GmbH, Celle**; the timely mailing of the revocation is sufficient for observance of the deadline.
2. In order to ensure proper application of the hire-purchase law the Orderer is obliged to point out that he is not registered in the Companies Registry; this applies in particular to subsequent orders.
3. Where monthly or quarterly instalments are arranged and the dates upon which payment becomes due have not been specified, the instalments fall due on the 1st day of the respective calendar month or quarter, the 1st instalment becoming due on the 1st day of the calendar month following delivery. Bills of exchange and all securities also serve to safeguard claims which are entitled to make upon repossession of the goods under the hire-purchase law.
4. The hire-purchase law is not applicable to foreign orderers or to inland orderers registered in the Companies Registry.

IX. Miscellaneous

1. Any modification or amendments to any contract of sale must be made in writing; there are no collateral agreements thereto.
2. Legal relations between the Orderer and the **MOTORTECH GmbH** are governed solely by the provisions of the law of the Federal Republic of Germany concerning legal relations of inland partners; unless otherwise specified herein the Incoterms of 1953 shall apply.
3. Place of settlement is **Celle**. The place of jurisdiction for all present and future claims arising from the business relationship and for legal actions regarding bills of exchange and trials by record is **Celle**. We reserve the right, however, to hold the Orderer liable before the court having jurisdiction over him. This jurisdiction of the district courts is not limited to the jurisdictional amount of 750 Euro (€). For cases and controversies with an Orderer who is not registered in the Companies Registry or who is only registered as a small tradesman (§ 4 HGB) the court having

jurisdiction over the Orderer is the court in whose district the Orderer is domiciled. We are, however, entitled to enforce our claims by judgment note in **Celle** and to sue the Orderer in **Celle**, if he has moved his place of abode or his usual residence abroad or if his place of abode or residence is unknown at the time the action is brought.

4. If for any reason one or several provisions hereof should become inoperative, this shall not affect the validity of the remaining provisions. All provisions hereof shall be construed and completed so as not to endanger our reservation of ownership.
5. The Orderer is entitled to utilize all data on us for himself and for his affiliated companies for his own purposes in accordance with the provisions of the Federal Data Protection Law.

MOTORTECH GmbH, Celle