

1 Scope of Application

The terms and conditions set forth below apply to all legal relationships with our customers irrespective of whether our deliveries of goods or services originate from a purchase agreement, a contract for work, or a work performance contract. They apply equally to subsidiary services provided by our company such as technical instructions, information and the like. Furthermore, they provide the basis for all future business relationship even if they are not expressly agreed again.

2 Contrary Stipulations

Customer stipulations which are contrary thereto shall not be binding upon us even if we do not expressly repudiate them unless we have expressly acknowledged them in writing.

3 Execution of the Contract

- 1 If customer so desires, we shall be pleased to submit a written offer. We shall be bound by such offer for four weeks after it has been received by customer, if not otherwise specified in the quotation.
- 2 If customer places an order without our having made him a definite, binding offer, the contract shall be deemed to have been made when we accept customer's order with a written acknowledgement thereof.
- 3 Should our offer or our acknowledgement of order be based on technical data provided by customer (pictures, drawings, weights, dimensions, etc.), then our offer shall be deemed binding only if the contract can be performed on the basis of the technical data provided by customer. If, after execution of contract, it appears that the contract cannot be performed in accordance with the technical data provided by customer, then we shall be entitled to withdraw from the contract unless customer is prepared to accept an alternative technical solution proposed by us and to bear any additional costs thereby incurred. In the event of such withdrawal from the contract we shall be entitled to require customer to pay lump-sum damages of 20 % of the net volume of the order.
- 4 If prior to placement of order, sketches, drafts, samples or similar advance work are ordered, then we may charge customer for these at cost if no final order is placed. Such drafts, samples, etc. shall remain the property of our company.

4 Price and Payment

- 1 Our prices are quoted net, ex works. When they are invoiced, value added tax shall be added thereto at the currently applicable rate. Costs of packaging, shipment, freight, carriage, customs and any other incidental charges shall be borne by customer. Should customer desire transportation insurance, then we are prepared to take out such coverage on its behalf at its expense provided it commissions us to do so in writing.
- 2 Remuneration for our services shall fall due immediately on delivery even after delivery of an instalment. A period of fourteen days after receipt of invoice shall be allowed for the sum set forth in the invoice. If payment fails to be made by due date, we are entitled to charge interest on arrears at a rate of 2 % above the current basic interest rate of the European Central Bank. The right to claim interest after due date and any other damages due to default shall not be affected thereby.
- 3 In the case of contracts with an agreed delivery date of more than four months, we reserve the right to raise prices in keeping with the actual cost increases which have occurred under collective wage tariff agreements or in costs of materials.
- 4 An offset against or withhold because of other claims is excluded.
- 5 Bills of exchange and cheques shall only be accepted with a view to payment. Discounting and collection costs shall be borne by customer.

5 Scope of Delivery and Delivery in Instalments

- 1 The scope of delivery shall be as set forth in our written offer or acknowledgement or order. Ancillary covenants and amendments require our written confirmation.
- 2 We reserve the right to make delivery in instalments within reason.

6 Delivery Lead Time

- 1 We are equipped to make delivery within a reasonable period of time following receipt of all materials and feedstocks. Despite careful planning, we are not always in the position to influence the date of delivery of such required materials. The specified delivery lead times must therefore remain non-binding.
- 2 The delivery lead time shall commence on the date on which the acknowledgement of order has been dispatched, but not before customer has provided the documents, approvals, permits required and not before receipt of any agreed advance payment. The delivery lead time shall be deemed to have been adhered to, if the goods to be delivered have left the works or notice has been given of their readiness for shipment.
- 3 The delivery lead time shall be extended for a reasonable period if events occur in connection with industrial strife, in particular strikes and lockouts, or if unforeseen impediments occur which are beyond the control of our company, to the extent that such impediments can be demonstrated to exercise a substantial influence on the completion or the delivery of the ordered goods. This shall apply in cases where the aforementioned circumstances occur to our sub-contractors. The aforementioned circumstances shall not be deemed our responsibility even if they occur during an already existing delay. We shall notify our customer of the commencement and the end of such impediments without delay.
- 4 Should shipment be delayed at customer's request, then, beginning one month after notification of readiness for shipment, we shall charge customer for expenses incurred for storage, in the case of storage at our works at least 0,5 % of the invoiced amount for each month of storage. After setting a reasonable period of grace and following its expiry without effect, we shall have the right to dispose of the ordered goods in some other manner and to make delivery to customer with a reasonably extended delivery lead time.

7 Transfer of Risk

After expiry of the period during which we hold goods ready for delivery or upon handing over the shipment, risk of the goods perishing or being impaired shall be transferred to customer, and this even in cases when delivery is made in instalments.

8 Warranty

- 1 As a rule we do not warrant any special characteristics in delivered goods unless a written note to this effect has been made in our letter of quotation or the acknowledgement of order. For defects in the delivered goods as a consequence of a circumstance prior to transfer of risk we give warranty for twelve months – in the case of use in multi-shift operations, six months – from delivery date, in accordance with the provisions set forth below.
- 2 Obvious defects must be reported in writing within one week after receipt of the goods.
- 3 In the event of a warranty claim, customer may require a reduction in the price of the goods (abatement) or the cancellation of the contract (redhibition) only if our efforts to repair or provide a replacement have failed totally or if we refuse to provide the same. To permit us to make all the repairs and deliveries which appear necessary to us, customer shall grant us a reasonable period of time and opportunity.

- 4 We shall bear the expensed incurred for the purpose of providing repairs or replacements, in particular the costs of transportation, travel, work and materials, if customer's complaint proves to have been justified. We are permitted to have the repairs or replacement provided by technicians or assistants of our choice. If the costs of repairs or replacement are increased by the fact that the delivered goods after delivery were brought to a place other than customer's domicile or branch, then we shall not bear these additional costs. However, to the extent that, in order to accommodate customer, we are prepared to perform such repairs or provide replacements at a place other than at customer's domicile or branch then we can require customer to pay such additional expenses incurred by us if it appears that there were no defects in the delivered goods for which we can be held responsible.
- 5 Should customer or a third party make improper changes or repairs without our prior consent, then we give no warranty for any consequences thereof. No warranty is given for the consequences of unsuitable or improper use, in particular defective assembly or commissioning by customer or a third party, natural wear, defective or careless treatment, unsuitable lubrication of fuels, etc., unless they are due to a fault on our part.
- 6 All further warranty claims are barred, in particular on grounds of damages claims. Liability for consequential damages / pecuniary losses is barred. This shall not apply in cases of malicious intent, gross negligence, minor negligence in breach of contractual obligations or the lack of warranted characteristics where warranty is mandatory.

9 Liability for Subsidiary Obligations

- 1 If through a fault on our part, as a consequence of the omission of appropriate suggestions or advice or of defective suggestions or advice made or given prior to or after execution of contract, or in other subsidiary contractual obligations – in particular, in the instructions for operating and servicing the delivered goods – the delivered goods cannot be utilised by customer as contractually stipulated, then barring all further claims, customer may apply the provisions of section 8 analogously.
- 2 With all deliveries, we make the Manufacturer' Declaration along the lines of EC Directive 89/392/EEC. This Manufacturer's Declaration shall be deemed an integral part of the present contract.

10 Supplier's Right to rescind the Contract

If, after execution of the contract, it comes to our knowledge that customer is in a bad financial position, then, after setting a reasonable period of grace, we can require that we be given security for what is due from customer in a manner customary in commercial dealings. Should customer fail to give us the required security within the set period of grace, then we shall be entitled to withdraw from the contract or to claim damages.

11 Reservation of Title

- 1 We reserve property in the goods delivered by us until all our claims from the order and any other existing of future claims have been satisfied in full (extended reservation of title). If customer pays by bill of exchange or cheque, the claim from the order and delivery shall remain in force until customer has redeemed the bill. If the claim is entered on a current account, the extended reservation of title applies to the respective balance.
- 2 Reservation of title is extended to all customer claims which the latter acquires from the resale of the delivered goods to third parties. The full amount of such claims shall be assigned to us. Customer shall assign these future claims to us as security at date of origin thereof. We accept this assignment.
- 3 Customer may neither pledge nor assign the delivered goods as security. In the event of levies of execution, attachment or any other dispositions by third parties, customer shall inform us thereof without delay.
- 4 Should customer process the delivered goods so that property in the delivered goods perishes or if customer processes goods which have only been machined by us, then such processing shall be deemed performed on our behalf in such a manner that we acquire a share of property in the new goods in a proportion equal to the purchase of the delivered goods or manufacturing value of our processing work on the delivered goods with respect to the total sales value of the new goods. This processing clause is extended to all claims acquired by customer through the resale of the goods subject to this processing clause in the proportion set forth therein. Customer herewith assigns to us the claims from such resale of these goods in proportion to the amount set forth in this processing clause. We accept this assignment.
- 5 Our rights to surety do not prevent customer from disposing of the goods in which title is reserved or the claims assigned to us by way of security in the course of its normal business operations. Normal business operations no longer exist if customer defaults on payments to us by more than one month beyond payment deadlines, if its bills are dishonoured, payments cease to be made and action in bankruptcy is filed against it. In this case, upon our request, customer shall notify its customers of the assignment, shall desist from collecting such claims and shall permit us to perform such collection. Customer shall therefore disclose to us the addresses of its customers the first time that we request it to do so.
- 6 The submission of reservation of title claims and the attachment of the delivered goods by us shall not be deemed as cancellation to contract to the extent that this is permitted by law.
- 7 On customer's request, we are obliged to release goods of our choice from reservation of title insofar as their realisable value of the security given to us exceeds the secured claim by 20%. The realisable value of the securities is calculated as follows:
 - a. Goods are to be shown at their respective purchase price.
 - b. Claims are to be shown at 80 % of their nominal value.

12 Concluding Provisions

- 1 Place of performance and court of jurisdiction shall be Hannover for all litigation arising between the parties under the contractual relationship, if customer is a Vollkaufmann (i.e. a business registered in the German Commercial Register), a legal entity under public law or a special government entity under public.
- 2 Our contractual relationship and all other legal relationships to our customers shall be governed by the laws of the Federal Republic of Germany.
- 3 Should any provision of the present terms and conditions of delivery or a provision contained in any other agreement be or become void, this shall not affect the validity of any other provision or agreement.



Wohlenbergstr. 6
D-30179 Hannover
Telefon: (0511) 6307- 0
Telefax: (0511) 6307- 440
E-Mail: info@wohlenberg-werkzeugmaschinen.de
Internet: www.wohlenberg-werkzeugmaschinen.de