

General Terms and Conditions of Trade of UES AG

1. General

We shall only be prepared to render goods and services and to take delivery of purchase orders on the basis of the General Terms and Conditions of Trade given below. You accept our General Terms and Conditions of Trade by placing an order or by receiving a delivery. They shall also apply to all future business with you. The validity of any deviating or supplementary general terms and conditions of trade drawn up by you shall be ruled out, even if we do not expressly object to these. We render goods and services exclusively to independent contractors. Our quotations are always subject to change without notice. The description of the stipulated appearance and workmanship of goods and/or services, which is comprised in the order confirmation or consignment, comprehensively and finally defines the delivery item's characteristics. Particulars contained on Internet pages, in brochures or similar documentation, for instance product descriptions or illustrations only serve to designate the goods and are not relevant, unless they are confirmed as binding in writing. They do not contain any description of the delivery item that supplements or modifies the performance specifications. In case of typing, printing or arithmetic errors in our quotations, we are entitled to repudiation. We reserve the right to product changes as far as colour, design or technical specification are concerned. Any conclusions of contract and agreements, even if they have been entered into by travelling salesmen and sales representatives, shall only become binding to us after we have confirmed the purchase order in writing. Additional agreements and changes shall only take effect with our written confirmation.

2. Prices

The prices according to our price list valid at the time of conclusion of contract shall be considered agreed upon. Prices quoted in our price list are net ex stock Krefeld plus statutory

Value Added Tax and do not include shipping and handling expenses. Prices for after-sales service and other services refer to performance within regular workday working hours (Mo - Fr, 8:00 a.m. to 6:00 p.m.). For services rendered outside the above times, we impose a surcharge of 25% for work at night and on Saturdays as well as 50% for Sunday assignments. For single orders up to an amount of 50.00 Euro, we will charge a handling fee of 25.00 Euro.

3. Payment

In the absence of special agreements, payment shall have to be effected 30 days from date of invoice without any deduction and free of charges for us. From a scope of supply of 13,000 Euro, one third of the order value is due as down payment on receipt of the order confirmation, another third on readiness for dispatch and the balance 30 days from date of invoice. If the time for payment is exceeded, maturity interest in accordance with the respective bank rates of interest for short-term loans, however at least amounting to 8% above the respective prime rate of the European Central Reserve Bank, shall be charged. We reserve the right to assert further damages caused by delay. If a worsening of the purchaser's financial circumstances, which seems to jeopardise our pecuniary claim, occurs after conclusion of the contract, any outstanding invoice amounts immediately become due for payment. In this case, we shall only be liable to further execution of the contract and to delivery after payment of the total price. The purchaser shall not be entitled to offset debts due with counterclaims vis-à-vis the purchase price and to retain the purchase price due, unless the counterclaim is undisputed or is a final and absolute finding of a court.

4. Lead times and delivery periods

Details about lead times are always without obligation. Particulars about scheduled

delivery dates and delivery periods are based upon availability of the product at the time of order receipt at our company; they shall only be binding if they are confirmed in writing. The lead-time shall commence with sending of the order confirmation, however not before furnishing of the documentation to be supplied by the purchaser and before receipt of an agreed down payment. An agreed delivery period shall have been observed if until its expiry, the delivery item has left the plant or the distribution depot or if the purchaser has been advised about the readiness for dispatch. Force majeure, late delivery on the part of our suppliers as well as strike, lock-out and operating troubles in our business that are not our fault shall entitle us according to our own choice to repudiation of the contract or to an adequate extension of the delivery period also in case of the above identified delay after occurrence of the default excluding all damage claims on the part of the purchaser. The right to withdraw from the contract shall even then be preserved for us, if first of all an extension of the delivery period had been agreed upon. If we are in default with a delivery obligation, the purchaser shall be entitled to set an adequate extension of time of at least 21 days with threat of refusal in writing and after its unsuccessful expiry he shall be entitled to withdraw from the contract with regard to the delivery or service in respect of which we are in default. The purchaser shall only then be entitled to also repudiate from partial deliveries or partial services rendered if he is able to prove his discontinued interest in the partial performance. Claims for damages by the purchaser due to delay or impossibility of performance are excluded, unless we had acted in a wilful or grossly negligent manner or in case of a liability because of an injury of life, body or health. However, even then, liability shall be limited to compensation of the contract-typical and predictable damage.

5. Place of performance, dispatch and passing of the risk

Place of performance for our delivery obligation is Krefeld. At the purchaser's

request, we shall arrange for the dispatch at his risk and expense. The risk passes to the purchaser at the latest with handing over of the delivery items to the mail order firm. This shall also apply if we have accepted the forwarding expenses, delivery or installation. Goods in principle travel uninsured. Only at the purchaser's express request shall the consignment be insured at his expense against damage in transit, breakage, fire and water damage. If dispatch is delayed as a result of circumstances for which we are not responsible, the risk passes to the purchaser from the day of readiness for dispatch; we shall however be obliged at the purchaser's request and at the purchaser's expense to take out the insurance he demands. Even if they exhibit fundamental defects, delivered objects have to be first of all accepted by the purchaser, without prejudice to the rights arising from the paragraph on liability for defects. We shall be allowed to make partial deliveries.

6. Retention of title and trusteeship

The delivered goods shall remain our property until complete payment of all claims resulting from the business relationship between the purchaser and us and up to settlement of any resulting balance on open item account liabilities in our favour. Rights arising from the retention of title shall be valid until complete release from contingent liabilities, including contingent liabilities on bills of exchange. The purchaser shall undertake any possible treatment or processing of the goods sold subject to reservation on our behalf without any commitments arising for us. Processing, combination, admixture or mixture of the goods sold subject to reservation with other processed, admixed, mixed or combined objects shall only take place with the proviso that the purchaser stores the new object for us free of charge. The purchaser shall be entitled to resell the goods sold subject to reservation during proper business dealings; garnishment or transfer of ownership by way of security shall not be permitted at all. We shall have to be informed without delay of any access to the

goods by third parties or assigned outstanding accounts under handing over of all documents required for an intervention. The purchaser shall already now assign to us the outstanding accounts resulting from the sale of the goods sold subject to reservation vis-à-vis his customers, including all subsidiary rights. We accept this assignment. As our trustee, the purchaser shall be entitled to collect the assigned outstanding account as long as he meets his payment obligations vis-à-vis our company or as long as he does not suffer a dwindling of assets. If the goods sold subject to reservation are resold together with other objects, irrespective of whether this is done without or after processing, admixture, combination or mixture, the above agreed premise shall only apply up to the value of the goods sold subject to reservation, which have been resold together with the other goods. If the value of the provision of security that we are entitled to exceeds our accounts receivable by more than 20%, we shall at the purchaser's request be obligated to release the provision of security in this respect at our own choice.

7. Liability for defects, place of warranty

The purchaser shall have to notify us, without delay, in writing, of possible defects. Warranty claims shall not exist in case of merely insubstantial deviation from the agreed appearance and workmanship or in case of merely insubstantial impairment of usability. Late notifications shall not be considered. We shall be liable for manufacturing and material defects (excluded are parts subject to wear, for instance seals, valve seats or similar as well as defects resulting from incorrect handling) of goods that have been manufactured by ourselves with the exclusion of all further claims, as follows: All those parts shall be mended or newly delivered by us at our equitable discretion at no charge to the purchaser, which have been rendered unusable or which have been considerably impaired in their usability verifiably because of a circumstance that has occurred prior to passing of the risk within a period of 2 years

since placing into operation, given a daily normal operating period (up to 8 hours - in case of multiple shift operation within a period of 1 year). If dispatch, installation or putting into operation are delayed without our fault, the liability for defects shall expire at the latest 12 months after passing of the risk. The liability period shall be extended by the duration of the service interruption caused by our subsequent improvement work. The following shall apply to facilities that have been completely delivered by us: In so far as there are defects on components or equipment manufactured by ourselves, we shall be liable to the extent of the warranty agreed upon for objects manufactured by ourselves (paragraph 2). In case of defects on equipment components that have not been manufactured by ourselves, our liability shall be restricted to the assignment of those warranty claims we are entitled to vis-à-vis the suppliers of those equipment components. For the case that we are not entitled to any claims vis-à-vis our suppliers or that these are unrealisable, we shall be liable to remedy defects or to deliver a replacement at our equitable discretion and free of charge for the purchaser, in so far as the uselessness or restricted usability arises within the above mentioned periods. In case a remedying of defects or replacement delivery is impossible, or if, despite a written reminder, the replacement delivery and/or remedying of defects has not been carried out by us within the adequate additional period of time of at least 21 days to be granted to us by the purchaser, or if the replacement delivery also exhibits considerable defects or if the remedying of defects fails, the purchaser shall, instead of the rights conceded to him above, as an exception be entitled to demand annulment (repudiation of the contract) or reduction (abatement of the purchase price). The purchaser shall not be entitled to any further claims. This shall also apply to claims for damages due to direct or indirect damages irrespective on which legal grounds, in particular also for claims from positive breach of contract or culpa in contrahendo. The

exclusion of any claims for damages shall, as an exception not be applicable:

- if we or our vicarious agents are guilty of gross negligence,
- for claims for damages due to non-performance because of the lack of a warranted characteristic that has been warranted by us expressly and in writing.

For other purchased products/equipment we shall only be liable to the extent of the warranty agreed upon for equipment components that have not been manufactured by ourselves (paragraph 3). Our liability shall at any rate be restricted to a maximum of 25,000 Euro per damage event for property damage and pecuniary losses as well as for physical injuries. The above obligations under the warranty shall only be performed within Germany. The defective object shall have to be transferred at the purchaser's risk and expense to our corporate location Krefeld and returned to the purchaser's place of use at the purchaser's risk and expense. The purchaser's warranty claims shall in all cases become time-barred 12 months from the date of timely reprehension, however at the earliest with expiry of the above term of liability. This limitation period shall not apply in case of malicious concealment of defects or of wrongful intent or acceptance of a warranty; in cases of injury of life, body or health; in case of offences against a person's liberty; violation of the product liability act; grossly negligent breach of duties or violation of fundamental contractual obligations. If a notification of defects is effected unjustly, we shall be entitled to demand from you compensation of the expenditure we have incurred.

8. Explosion protection

The installation of electric equipment such as paint flow heaters, electronic systems and hot-melting machines may be subject to certain technical specifications. According to the special conditions, the operation and maintenance may accordingly only be assigned to persons who have been sufficiently instructed and who have been made acquainted with the equipment. Taking

into consideration this circumstance, it shall be considered agreed that with physical delivery, the purchaser shall accept any costs arising from the device being started up for test purposes and from the instruction.

9. Applicable law

German right may exclusively be applied to the legal relationship between the purchaser and us. This exemption extends to the standard law regarding the purchase of moveable objects and the standard law regarding the conclusion of international purchase agreements with regard to moveable objects.

10. Partial invalidity

Should it be found that individual provisions of the contractual relationship are inapplicable or invalid, this shall not affect the validity of the contract as a whole or of the remaining provisions.

11. Jurisdictional venue

for both parties to the contract shall be Krefeld. We shall however also be entitled to sue at the purchaser's head office.