

General Terms and Conditions for the Sale

1. SCOPE

These general terms and conditions shall be automatically an integral part of our quotation and order confirmation. Customer terms and conditions will hereby not be accepted and shall only be part of any commercial order if previously confirmed in writing by SCHILLING.

2. SCHILLING PRODUCTS AND SERVICES

Any product or service to be provided or delivered by SCHILLING shall be performed in line with the specifications as laid down in the quotation. Packaging will be invoiced and calculated separately.

3. TERMS FOR SOFTWARE

The VDI provisions shall be applicable for any use of software. Such software shall be used only in line within the controlling operation system. Such software shall not be copied or modified. In the case of any default, SCHILLING will approve any third party software for continuing operations. The software shall not be disclosed partially or entirely to any third party except to Customer's co-promotion party which shall not be deemed to be a third party in the sense of these terms. Any license for the use of the software are granted on a non-exclusive basis. Any intellectual property or know-how relating to the software existing or to be generated under the commercial relationship shall vest in SCHILLING. The software shall only be operated in line with the manual controlling system.

4. DELIVERY

Any delivery shall be subject to Incoterm EXW Wutöschingen. Delivery date shall be adjusted in the case:

- that the Customer has not provided actual and correct information necessary for the timely delivery or if any change in delivery attributable to the Customer has caused such delay or extension of the delivery date.
- if the bank guarantee or other security, as agreed upon, have not been issued properly by the Customer.

Customer shall bear also the risk of loss caused by such above mentioned cases of default. This shall also apply, as far as Customer rejects the delivery, or if Customer missed to pick up the delivery after having received the notice of dispatch. Notwithstanding the

foregoing, risk of loss provisions shall be in line with the agreed Incoterms. Any delivery will be made with the right for retention of title. Such shall remain until receipt of all open payments.

SCHILLING's quote may contain deviating risk-of loss clauses.

Any acceptance of the product shall be in line with the agreed acceptance criteria and shall be performed in presence with one party's representative. The product (equipment/system/product) shall be deemed as acceptable, i) if the acceptance criteria have been matched and ii) the product will be operated by the Customer or iii) Customer have not replied or rejected SCHILLING's notice to initiate the acceptance test.

In the case of any failed acceptance test, parties will set and schedule a new date within the upcoming next 4 weeks.

5. CHANGES

Any additional performance or products as well as any change in confirmed purchase order or specifications, will be charged separately. Customer shall remain responsible for any obligations which are not subject to any purchase order and attributable to Customer's project.

Any change shall be requested in writing and parties shall evaluate such change request and decide with 10 calendar days. Any change request has to list and indicate the cost and impact on the timelines and specifications.

Any agreed change has to be listed in writing.

6. PRICES AND PAYMENT CONDITIONS

Any payment has to be done in line with quotation. A late payment penalty or interest might be charged. Prices shall be net and due EXW. Any expenses or additional charges or taxes shall be borne by Customer.

7. DELAY

Any delay not caused by SCHILLING or beyond SCHILLING's reasonable control (export etc.), shall not be attributable to SCHILLING and any Customer's payment obligation shall remain unaffected. This shall apply also in the case of a disputed acceptance test.

Any time schedule or time line shall be extended mutually and recognise the new requirements. SCHILLING is entitled to charge any costs caused by such delay.

8. WARRANTY

8.1 ACCEPTANCE PROCEDURE

The warranty period shall be 24 months and shall start with the passed acceptance test but latest with the operation or SoP by Customer. Any start of warranty shall be certified in writing. In the case that the acceptance shall be postponed or delayed due to reasons not solely attributable to SCHILLING warranty period shall start as of the date of the estimated acceptance test. In any case, warranty period will end 24 months after the SCHILLING's notice of readiness for acceptance.

8.2 PARTS

Warranty for parts shall be limited to the remedy that SCHILLING will repeat the delivery or repair such parts. Warranty period for replaced parts will expire with the term of the original warranty period. Replaced part will become property of SCHILLING.

8.3 MISCELLANEOUS

All costs and expenses relating to any travelling of SCHILLING service staff shall be borne by the Customer, as far as not otherwise mentioned by mandatory law.

Wear and tear parts shall not be part of the warranty and any warranty claim shall be excluded. Warranty claims shall be submitted in writing within the 24 warranty month period.

In the case of any valid warranty claim, only the direct damages shall be comprised by such claim as far as SCHILLING has caused such damage by gross negligence or willful misconduct and any further damages, as well as indirect damages, shall be excluded as far as legally possible. In any case, damages shall be limited up to the purchase price in subject. Customer's right to retain payment for any warranty claim shall be excluded.

Except as confirmed by SCHILLING, SCHILLING does not warrant by a express or implied a warranty that SCHILLING's products or services will match any specific purpose or will be proper for any commercial use.

9. THIRD PARTY MATERIAL

The terms and conditions of our suppliers shall apply to any third party material provided by such supplier. SCHILLING does not take over or provide any warranty or is liable for any third party material. Upon request of the Customer, and as far as legally feasible, SCHILLING will assign the respective right versus such

supplier to the Customer for further execution.

SCHILLING retains its right to change any design of construction.

10. INTELLECTUAL PROPERTY AND CONFIDENTIALITY

For a period of 5 years following the commencement of an order, any information which will be disclosed by and between the parties will be treated as confidential and parties will not disclose such information to any third party, except to affiliated companies, on a need to know basis.

Customer will not disclose or publish any information provided by SCHILLING without SCHILLING's prior written approval.

Any existing intellectual property and know-how as well as drawings, materials etc. shall vest in the owing party and no right shall be granted to the other party.

Any results, inventions, ideas and other finding shall vest in SCHILLING, as far as they do not directly comprise Customer's intellectual property. SCHILLING is entitled to use such generated intellectual property for ist business without any restrictions. SCHILLING hereby grants to Customer a non-exclusive license for the use of SCHILLING's products or services.

11. TERMINATION

The order might be terminated by either Party in the case of a material breach which has not been cured within a further grace period of 60 days. Parties are aware that the termination or cancellation of any order may cause a severe impact and costs, therefore Parties will mutually consent about any feasible adjustment or amendment of the order to mitigate such impact.

Any notice of termination has to be done in writing.

SCHILLING is entitled to terminate any order, if Customer will not provide the down payment or a similiar guarantee within the agreed timeline.

In the case of a termination not due to reasons solely attributable to SCHILLING:

- SCHILLING will cancel all pending orders with SCHILLING's suppliers and undertake to mitigate any costs and expenses or evaluate to use any delivered material for other projects.

And in any case of a termination by either party:

- to pay the outstanding amount to SCHILLING or, upon SCHILLING's discretion, 40 % of the order

volume as a compensation of any SCHILLING's costs and efforts provided by SCHILLING in the order or project. SCHILLING will reasonably indicate such costs.

12. LIMITATION OF LIABILITIES

SCHILLING shall only be liable for any damage up to an aggregate amount of 80 % paid by the Customer under the respective order.

SCHILLING is not liable as far as SCHILLING is in compliance with the agreed technical standards and specifications and as far as such liability has been caused also by any information, specifications and materials provided by the Customer.

Any indirect damages (stop of production, delay etc.) , loss of profit and penalties as well as liquidated damages shall be excluded.

Such limitation of liabilities shall only apply as far as not otherwise provided by mandatory laws.

13. GOVERNING LAW AND JURISDICTION.

German laws shall apply to these terms and conditions. Place of jurisdiction shall be Wutöschingen, or the competent court for Customer place of business, at SCHILLING's sole discretion.

14. EXPORT COMPLIANCE

Parties hereby acknowledge that the order might be subject to any import or export restrictions and that any performance shall be in line with such restrictions and request any approval and permit as provided regulatory authority.

