

General Terms and Conditions for Companies and Resellers:

1. Validity of the Conditions

1.1 The deliveries, services and offers of the Seller will be made exclusively based on these terms and conditions. They shall also be applicable for all futures business relations even if they are not expressly agreed upon again. Upon receipt of the goods or the services at the latest, these terms and conditions shall be deemed to be accepted. Counter-confirmations of the Buyer with reference to his terms and conditions of business and purchase are hereby opposed.

1.2 Deviations from these terms and conditions shall only be applicable if confirmed by Seller in writing.

2. Governing Law and Jurisdiction

2.1 The laws of the Federal Republic of Germany shall apply to these terms and conditions and to the entire legal relationship between Seller and Buyer.

2.2 The exclusive jurisdiction for agreements involving and not involving foreign countries shall be Munich, if the Buyer is a *Vollkaufmann* (*registered trader*) in the meaning of the HGB (*German Commercial Code*), a legal person of public law or of public-legal special assets. The exclusive place of jurisdiction shall cover all legal disputes arising directly and indirectly from the contractual relationship.

3. Offer and Conclusion of Agreement

3.1 The offers of the Seller are without obligation and not binding, declarations of acceptance or any and all orders shall be confirmed by Seller in writing or by fax to be effective. Same shall apply to any supplements, modifications or additional agreements.

3.2 Technical modifications which do not affect the functionality of the goods are reserved. Precondition is that the modification does not result in a significant deviation from the agreed quality.

3.3 The sales employees of the Seller are not authorized to make any additional oral agreements or to make promises which go beyond the contents of the written agreement.

4. Prices and Price Changes

4.1 Unless otherwise stated, Seller will be bound by the prices contained in his offers for one year beginning with the date thereof. The prices stated in the order confirmation of the Seller shall prevail, and are valid plus applicable value added tax. Additional services and deliveries will be calculated separately.

4.2 Prices are exclusive of the legal value added tax of currently 19 % and are valid ex works, without packaging, without transport and without insurance.

5. Delivery and Service Time

5.1 Deadlines for deliveries, additional deliveries and rework are not binding.

5.2 Deliveries will be made only if the Seller may freely dispose of the purchase price, unless otherwise agreed upon in writing.

5.3 In case of bindingly agreed terms or deadlines, Seller shall not be held responsible for delivery and service delays caused by force majeure and by events which make the delivery significantly harder or render it impossible for the Seller - including strike, lock out, orders by authorities, etc., even if they occur at suppliers of the Seller or their sub-suppliers. They entitle the Seller to postpone the delivery or service for the duration of the hindrances plus a reasonable start-up period and Seller is entitled to cancel the agreement in total or in part as regards the part which has not been fulfilled.

5.4 If the hindrance continues for more than three months, the Buyer shall be entitled to cancel the agreement as regards the part which has not been fulfilled after an appropriate final deadline. If the delivery time is extended or if the Seller is freed from his obligations, Buyer is not entitled to derive any claims for damages from this. Seller may only invoke the conditions mentioned above if he immediately informs the Buyer thereof.

5.5 The Seller is entitled to make part deliveries or to provide part services at any time.

6. Transfer of Risks

The risk shall be transferred to Buyer when the shipment has been handed out to the person responsible for the transport or if it left the warehouse of the Seller for the purpose of transport. If the shipment becomes impossible with no fault of the Seller, the risk shall be transferred to Buyer upon notification of the readiness for shipment.

If the shipment is delayed at request of the Buyer, the risk will be transferred to Buyer upon notification of the readiness for shipment. The same shall apply if the shipment is delayed, in case of an agreed payment date or if the payment date of 9.1 has been exceeded due to late payment.

7. Guarantee

7.1 The Seller guarantees that the newly produced products are free from defects in material and workmanship; the guarantee period shall be 12 months. Used goods are not covered by the guarantee.

7.2 The guarantee period will start at the delivery date. If operation or maintenance instructions of the Seller are not met, if the products are changed, if parts are exchanged or consumable are used which do not comply with the original specifications, the guarantee shall not be applicable if the Buyer did not refute any substantiated claim that one of those conditions resulted in the defect.

7.3 Buyer shall immediately inform Seller of defects after they have become apparent.

7.4 In case of a notice of the Buyer that the products do not correspond to the guarantee, the Seller may, at his own choice, request that

- a) the defective part or the entire instrument be sent for repair and subsequent returned to Seller;
- b) the Buyer keeps the defective part of the instrument and that an authorised person of the Seller be sent to the Buyer to carry out the repair.

If the Buyer requests that guarantee work be done at a place designated by him, the Seller may fulfil this request, and parts falling under the guarantee will not be charged while working hours and travelling costs shall be paid at standard rates of the Seller.

7.5 If the rework fails to be carried out in a reasonable time, Buyer may request the reduction of the purchase price or the cancellation of the agreement.

7.6 After some time, smaller oxidation stains may occur in newly produced instruments due to technical conditions. Unfortunately, these stains cannot be avoided despite the best efforts during production and are thus no defect of quality. Within a period of 24 months beginning with the delivery date, Seller undertakes to apply a new layer of lacquer on the instrument if those oxidation stains exceed an area of about 1 cm². The Seller shall only pay the transport costs to Seller and back to the Buyer. The Buyer shall inform the Seller in writing that he makes use of this guarantee.

7.7 A liability for normal wear shall be excluded.

7.8 Only the direct Buyer shall be entitled to guarantee claims which cannot be assigned.

7.9 If the Buyer sells the newly produced goods purchased from Seller to another consumer and if the consumer lodges a complaint with Buyer as regards the delivered object, the Buyer shall immediately inform Seller thereof.

7.10 In case of resale by Seller to a consumer, the assumption of art. 476 BGB [*German Civil Code*] shall apply only if the object of sale has not been stocked for more than 12 months.

7.11 The preceding points finally include the guarantee for the products and exclude other guarantee claims of any kind. This does not concern any agreed quality or durability guarantees.

8. Retention of Title

8.1 The Seller shall remain the owner of the goods. Remodelling shall be made always for the Seller as producer however without obligation for him. If the ownership of the Seller is cancelled due to assembling, it will be agreed now that the ownership of the Buyer to the uniform objects shall be transferred on a pro-rata basis of the value (invoice value). The Buyer will keep the objects (co)owned by Seller free of charge. Goods which the Seller (co)owns will hereinafter referred to as reserved goods.

8.2 The Seller is entitled to sell the reserved goods in the orderly business transaction as long as he is not in default. Pledging or collateral assignment are not permitted. Buyer will already now assign any and all claims in total arising from the resale or any other legal cause (insurance, unlawful acts) as regards the reserved goods (including any and all balance claims from current account) to the Seller for reasons of security. The Seller irrevocably authorizes him to collect the claims assigned to the Seller for his invoice and in his name. This authorization may only be revoked if the Buyer does not fulfil his payment obligations in a duly manner.

8.3 In case of seizure of the reserved goods by third parties - especially bailiffs and creditors, Buyer shall inform them of the ownership of the Seller and shall notify the Seller immediately.

8.4 In case of a behaviour of Buyer which is contrary to the agreement - especially in case of default in payment, the Seller is authorized to take back the reserved goods without fixing a final deadline or to request the assignment of the claims to surrender against third parties.

9. Payment

9.1 Unless otherwise agreed upon, the invoices of the Seller shall become payable within 30 days after the invoice date without discount. The buyer

is obliged to make an advance payment of the purchase price, unless otherwise agreed upon in writing.

9.2 The Seller is authorized to set off payments by Buyer against his older debts despite any other provisions of the Buyer and will inform Buyer of the type of set-off which has been made. If costs and interests have accrued the Seller is authorized to set off the payment first against the costs, then the interests and last the main service.

9.3 A payment shall only be deemed to be effective if the Seller may freely dispose of the amount. In case of cheques, the payment will only be deemed to have been made if the cheque is cashed.

9.4 If the Buyer is in default, the Seller is authorized to calculate interests for open current account credits at the rate used by business banks plus the applicable VAT beginning with the start of the default. They have to be reduced if the Buyer can proof a lower debit.

9.5 If the Seller learns of conditions which question the credit worthiness of the Buyer, especially if a check cannot be cashed or if the Buyer stops his payments, or if the Seller learns of other conditions which question the credit worthiness of the Buyer, the Seller is authorized to call the entire remaining debt due even if he accepted cheques. In this case, the Seller is also authorized to request pre-payments or a deposit of security.

9.6 If the Buyer made complaints or counterclaims, he shall only be entitled to set off, retain or reduce payments if the counterclaims have been firmly established or if they are undisputed. The Buyer is however also entitled to retention due to counterclaims from the same contractual relationship.

10. Liability Limitation

Claims for damages due to a breach of obligations, due to negligence in contracting and due to a unlawful acts shall be excluded against the Seller as well as against his subcontractors and vicarious agents, unless in case of wilful or gross negligent behaviour. Injuries of life, body and health are excluded therefrom. Any liability shall be limited to the foreseeable damage upon conclusion of the agreement.

11. Safeguarding Clause

If one provision hereof is or becomes invalid in the respect to other agreements, this shall not affect the validity of the remaining provisions or agreements.

*This document is a translation of the german General Terms and Conditions.
Only the german version is legally valid.*