

#### I. Quotation

1. Our Terms of Sale apply exclusively. Terms of the Buyer contrary to or deviating from our Terms of Sale are not recognized except if their validity was explicitly accepted by us. Our Terms of Sale apply also if delivery is made to the Buyer without reservation on our part even in the knowledge of contrary terms of the Buyer or of terms deviating from our Terms of Sale.
2. With the issue of the order or the acceptance of shipments, the Buyer acknowledges the validity of our General Terms Governing the Sale and Delivery of Machinery not only for the transaction in question but also for future transactions.
3. The documents associated with the quotation such as illustrations, drawings, indications of weight and dimensions are merely approximate indications unless expressly described as binding. The Supplier reserves all rights of title and copyright to all cost estimates, drawings and other documents; they may not be made accessible to third parties. The Supplier may only make such plans as the Purchaser describes as confidential accessible to third parties with the latter's consent.
4. We treat all company-related and person-related data that we get in connection with the order confidentially. But in terms of a general reference, it is allowed to mention the name of the purchaser and to give a general description of the project.

#### II. Scope of the Delivery

The written confirmation of order from the Supplier determines the scope of the delivery and - in the event of a quotation from the Supplier with a limited period of validity and timely acceptance of the quotation - the quotation, insofar as no timely confirmation of order is received. Collateral agreements and modifications must be confirmed in writing by the Supplier.

#### III. Price and Payment

1. In the absence of a special agreement, prices apply ex works including loading in the works, however, exclusive of packaging. Value added tax at the statutory applicable rate is added to all prices.
2. In the absence of a separate agreement, payment shall be made as follows in cash and without deductions, free at the supplier's domicile:  
1/3 on account on order confirmation  
1/3 on shipping notice to the Buyer advising that main components are ready for shipment.  
1/3 as a remaining amount within one month following the transfer of risk. In the event of delayed payment, penalty interest amounting to 8% above the base interest rate of the European Central Bank (ECB) shall be invoiced.
3. The Buyer is entitled to setoff only when his counterclaims have been determined in a court of law or are not disputed by the Supplier.
4. The Buyer may exercise a right of retention only when his counterclaims are founded on the same contract.

#### IV. Delivery Period

1. The delivery period upon the dispatch of the confirmation of order, however, not before the documents, approvals, releases to be provided by the Purchaser or the agreed down payment have been received.
2. The delivery period has been complied with if the subject-matter of delivery has left the works or its readiness for dispatch has been notified before the period elapses.
3. The delivery period is extended by a reasonable length of time in the event of measures resulting from industrial disputes, in particular strike and lockout, and in the event of the occurrence of unforeseen obstructions which are beyond the control of the Supplier, insofar as it can be shown that such obstructions have considerably influenced the completion or delivery of the subject-matter of delivery. This also applies in the event that such circumstances occur among subcontractors.  
The above circumstances may not be attributed to the Supplier even when they occur during an already ongoing state of delay. The start and end of such impediments must be advised by the Supplier to the Buyer as early as possible.
4. If despatch is delayed at the request of the Purchaser, he can be charged the costs incurred for storage in the works of the Supplier, starting one month from the date of notification of readiness for despatch, however, at least 1/2 % of the invoice amount for each month. Nevertheless the Supplier is entitled, after setting a reasonable deadline and after its fruitless expiry, to dispose otherwise of the subject-matter of delivery and to supply the Purchaser within a reasonably extended period.
5. Adherence to the delivery period presupposes fulfilment of the contractual duties by the Purchaser.

#### V. Passing of the Risk and Acceptance

1. The risk shall pass to the customer no later than when the delivered parts are dispatched, including when part-deliveries are made or when the supplier has assumed responsibility for other services such as carriage costs or transport and setting up.  
At the customer's request, the supplier shall provide (at the customer's expense) insurance on the consignment against theft, breakage, transport, fire and water damage, as well as against other insurable risks.
2. If dispatch is delayed as a result of circumstances attributable to the customer, the risk shall be transferred to the customer as from the day on which the goods are ready for dispatch, but the supplier shall be obliged - at the customer's expense and risk - to provide the insurance cover requested by the customer.
3. Without prejudice to the rights contained in Article VII, articles delivered must be accepted by the Purchaser even if they exhibit slight defects.
4. An application for the institution of insolvency proceedings over the assets of the Buyer entitles the Supplier to withdraw from the agreement and demand the immediate return of the goods irrespective of his other rights.

#### VI. Reservation of Title

1. The Supplier reserves ownership of the goods up to the complete settlement of all claims arising out of current transactions. If additional assembly services are to be provided, the ownership of the goods passes to the Buyer only on receipt of the assembly fee or of part of the payment corresponding to the assembly service.
2. The Supplier has the right to insure the subject-matter of delivery against theft, breakage, transport damage, damage by fire or water or other risks at the expense of the Purchaser, unless the Purchaser can show that he has already arranged insurance himself.
3. The Purchaser may not pledge the subject-matter of delivery nor transfer title thereof as security. He must notify the Supplier without delay in the event of attachment or confiscation or other disposals by third parties.
4. In the event of conduct by the Purchaser which is in breach of contract, in particular default in payment, the Supplier is entitled to repossess the subject-matter of delivery after sending a warning, and the Purchaser is obliged to surrender the same. The assertion of the reservation of title or attachment of the subject-matter of delivery by the Supplier is not deemed to be withdrawal from the contract.
5. The Buyer is entitled to resell the goods by way of ordinary commercial transactions. He assigns to the Supplier already at this time all claims against a third party generated by such sale up to the amount of the invoice. The Supplier accepts this assignment. After an assignment, the Buyer is authorized to collect the receivable. The Supplier reserves the right to collect the receivable directly if the Buyer fails to meet the agreed payment terms and is in delay with payment.
6. Processing and compounding of the goods by the Buyer is undertaken at all times for account and on instructions of the Supplier. If goods are compounded with products not owned by the Supplier, the Supplier acquires co-ownership in the new product at a ratio of the value of the delivered product to that of the other processed products. The same applies when the products are compounded with other goods not owned by the Supplier.

#### **VII. Warranty**

1. Defects in delivered goods shall be compensated by the Supplier at his discretion initially either by repair or replacement.
2. Any defects must be reported by the Buyer promptly and in writing.
3. Excluded from the warranty are all parts subject to wear such as seals, crank covers, clutch assemblies, drive belts, filters, paint coat, coatings and in specific cases flywheels (e.g. carriage of gases involving parts subject to wear).
4. A warranty claim by the Buyer furthermore assumes that all instructions of the Supplier on the use, maintenance and storage of supplied goods have been followed, in particular the conservation instructions and the General Terms for the Operation of Piller Fans and Components (e.g. on storage, drive etc).
5. Shipping damage or damage attributable to the Buyer, in particular due to improper or unauthorized use (non-observation of the General Terms for the Operation of Piller Fans and Components), defective assembly or start-up by the Buyer or a third party, natural wear, use of inadequate operating media, conveyance of unspecified media or gaseous compounds, substitute materials, unsuitable terrain, chemical, electrochemical or electrical influences, modifications or repairs of the product by the Buyer or a third party are excluded from the warranty.
6. The Buyer shall give the Supplier the necessary time and opportunity to make the repairs and substitute deliveries which the Supplier considers necessary at his discretion; otherwise the warranty obligation of the Supplier lapses. However, in the case of an imminent risk to operating safety or to avert a comparatively large damage or if the Supplier is in arrears with the elimination of a defect, the Buyer is entitled to repair the defect directly or have it repaired by the third party and claim reimbursement of the resulting costs from the Supplier. In this case, too, the Supplier must be advised in good time before any intended replacement.
7. If the goods suffer from a defect, we are entitled at our option either to remedy the defect or to deliver a flawless new product. The option as to where the remedy is to be performed is within the scope of Supplier. If we remedy the defect, we shall bear all costs, in particular shipping, haulage, labor and material costs required to remedy the defect under the condition that these costs are not increased due to the fact that the goods have been shipped to a location other than the place of performance.
8. The warranty period for the goods including for any possibly installed required spare parts shall be extended by the duration of the repair works.
9. Referring the given performance data the tolerances in accordance to DIN 24166, class 2 or ISO 13348, grade AN3 have to be considered. The validation of the performance data takes place in accordance to DIN EN ISO 5801, on company-owned standardized airways only.

#### **VIII. Liability**

1. In the event of premeditated or grossly negligent breaches of contract as in the case of culpable injury to life, limb or health, we shall be liable for any resulting damage without limit except if provided for otherwise by law.
2. In the event of gross negligence by our non-executive employees, our liability for property or asset damage is limited to the foreseeable contract-typical damage.
3. In the event of minor negligence, we shall be liable for property and asset damage only if essential contractual obligations have been breached. In such a case, our liability shall likewise be limited to the foreseeable contract-typical damage. Essential contractual obligations are those without whose performance the duly implementation of the contract is impossible and in which our party to the contract generally trusts and may trust.
4. Any further liability not regulated in the preceding subsections shall be excluded irrespective of the legal basis of the claims asserted. This applies in particular to unauthorized acts pursuant to Secs. 823, 831 BGB; a possible unlimited liability under the provisions of the German Product Liability Act remains unaffected.

#### **IX. Statute of Limitations**

1. All claims of the Buyer, irrespective of their legal reason, in particular warranty claims, lapse after one year.
2. This does not apply when the Supplier is culpable of premeditated or gross violations including on part of his legal representatives or vicarious agents, when involving injuries to life, body or health, or defects which the Supplier has maliciously concealed or the absence of which he has guaranteed as well as with vices when the Supplier liable for personal injury or property damage under the Product Liability Act. In these cases, the statutory periods shall apply.
3. The statutory period also applies to defects in a building or to products used in a building in accordance with their customary use thereby causing the defect in the building as well as in works that involve the supply of planning or supervisory services for a building.

#### **X. Partial Delivery, Reduction, Withdrawal from Contract**

1. The Supplier is entitled to make partial deliveries except when the acceptance of partial deliveries is not considered fair or equitable for the Buyer taking his own legitimate interests into due account.
2. If remedial performance fails in a warranty claim, the Buyer may in principle and at his discretion demand a lower price (reduction) or the cancellation of the contract (rescission). The customer shall have no recourse to damage claims, and there shall also be no liability for lost profit or damages arising from loss of production. When the contract violation is only minor, in particular in the case of minor vices, the Buyer has no right of rescission.

#### **XI. Place of Fulfilment and Court of Jurisdiction**

1. This Contract is governed exclusively by the laws of the Federal Republic of Germany. The application of the UN Convention on the International Sales of Goods shall be excluded.
2. Place of fulfilment for all claims and duties (see Article VII of our General Terms and Conditions for the Delivery of Machines) is Moringen/Germany. Court of Jurisdiction is Norheim/Germany or Landgericht Göttingen/Germany. It also applies for complaints with regard to cheque and bill of exchange proceedings and for complaints against third parties liable for the Purchaser's duties if no other Court of Jurisdiction is fixed by law.
3. If any of the preceding provisions should be or become ineffective, the validity of the remaining provisions shall remain unaffected. The parties agree that an ineffective provision shall be replaced by a clause that approximates the spirit and purpose of the ineffective provision as much as possible.