

GENERAL CONDITIONS OF SALE
(Terms of Delivery and Payment)
of PS Automation GmbH Gesellschaft für Antriebstechnik,
Philipp-Krämer-Ring 13, 67098 Bad Dürkheim

- hereinafter called PS Automation -

§ 1 - Scope

All deliveries, quotations and performance made by PS Automation shall be based exclusively on these General Conditions of Sale. Customer's general terms and purchase conditions conflicting with these Conditions are hereby rejected. The Conditions of Sale of PS Automation shall also apply to deliveries PS Automation effects to a customer without reservation, even if PS Automation is aware that the customer terms do not comply with or conflict with the Conditions of Sale of PS Automation.

§ 2 - Quotation/ Conclusion of Contract/ Scope of Delivery

- (1) A written confirmation of order by PS Automation shall always be decisive for the conclusion of a contract and the scope of delivery. If a time-limit and acceptance within the time allowed are stipulated by PS Automation in its quotation, then this quotation shall apply.
- (2) PS Automation shall be bound to its quotations made according to the above paragraph (1) for a period of 30 days from the date of quotation, unless a different period is explicitly stated therein. PS Automation reserves the right to correct printing or spelling errors in its quotations at any time.
- (3) Supplementary agreements and modifications shall only be binding if they have been confirmed in writing by PS Automation.

§ 3 - Product Features/ Samples

- (1) Any drawing, representation, dimension, weight, measure or other performance data stated by PS Automation in its quotation, the accompanying documents or other product information, price lists or sales documents shall only be binding if it has been expressly confirmed in writing.
- (2) Samples made or submitted by PS Automation have the sole purpose of giving the customer an idea of the size and quality of the goods. Para. (1) above shall apply accordingly.
- (3) PS Automation reserves its right of ownership and copyright to any cost estimate, illustration, drawing and other document. Information contained therein may only be disclosed to a third party if PS Automation has given its express approval.

§ 4 - Prices and Terms of Payment

- (1) Unless otherwise stated in the quotation or the confirmation of order from PS Automation, prices quoted by PS Automation shall be "ex works" excluding packaging, which will be charged separately.
- (2) PS Automation reserves the right to adapt the prices quoted in case costs fall or rise following the conclusion of the contract, especially those due to collective agreements or increases in the cost of material. PS Automation shall furnish proof of this if requested by the ordering party.
- (3) Prices do not include statutory value added tax, which will be stated separately at the statutory amount valid on the date of the invoice.

- (4) Unless otherwise agreed, invoices issued by PS Automation shall be due net within 30 days from the date of the invoice.
- (5) PS Automation shall be entitled to set off payment against any previous customer debts, even if this is contrary to the customer's payment terms. In this case, PS Automation shall notify the customer of the offset made. Should costs and interest have been incurred, PS Automation may set off payment first against the costs, then the interest and finally the main debt owed.
- (6) Payment is deemed to have been received only when PS Automation can freely dispose of the amount. As for cheque payments, payment is deemed to have been received when the cheque has been credited to PS Automation's bank without reservation.
- (7) Should the customer default in payment, PS Automation shall be entitled to charge interest at 10 % above the current base rate of interest, pursuant to § 247 BGB [German Civil Code], commencing on the first day of default. This rate may be reduced, if the customer can prove that the rate charged is lower, whereas PS Automation reserves the right to furnish proof that the loss is higher.
- (8) In the event that PS Automation becomes aware of any circumstances pointing to a lack of credit worthiness on the customer's side, in particular because such customer dishonours cheques or suspends payments, PS Automation may charge immediately all receivables and, prior to further deliveries, may demand prepayments and securities customary in banking.
- (9) The customer may set off counterclaims only, if they have been finally established or if they are not disputed. Even in this case, customer may only retain sums for counterclaims arising under the same contractual relationship.
- (10) Payment must always be made in the currency stated on the invoice. PS Automation will not assume liability for exchange rate risks.

§ 5 - Delivery Times and Time of Performance

- (1) Delivery dates or periods shall only be binding, if they have been confirmed in writing by PS Automation.
- (2) The lead time stated by PS Automation shall only be binding, if all necessary information and drawings have been submitted by the customer; if all permits have been given by the authorities and all technical questions have been clarified to the extent required for a complete order processing.
- (3) PS Automation's obligations regarding delivery and performance shall only be binding on condition that the customer has fulfilled its duties properly and on time. PS Automation reserves the right to defence due to lack of performance of the contract.
- (4) Delivery shall be made ex works, PS Automation, D - 67098 Bad Dürkheim, unless it is otherwise expressly agreed. Carriage of goods by sea or plane shall be made FOB (Incoterms 2000) to the port or airport designated by PS Automation.
- (5) PS Automation shall be released from its obligation to supply or perform, if delays in the delivery and performance occur due to force majeure, including but not limited to, uproar, strike, lockout, orders by the authorities, general lack of commodities and energy etc., also if they occur at a supplier of PS Automation or its sub-supplier, for the time of the impediment and the scope of its effects, and such events shall entitle PS Automation to withdraw from the non-fulfilled contract either as a whole or in parts. In case the delivery time is extended or PS Automation's obligation ends due to any of the above circumstances, the customer cannot derive any claims for damages from it, notwithstanding section 10 of these General Conditions of Sale. PS Automation

may invoke the above circumstances only if the customer is notified immediately.

- (6) PS Automation may make partial deliveries and render partial performance at any time.
- (7) Should the customer default on acceptance, PS Automation may demand compensation for the damage suffered. Risk of accidental deterioration or loss shall pass to customer upon default of acceptance.
- (8) Customer instructions for transport must enable PS Automation to despatch the goods within 14 days after receipt of a completion note from the customer. Otherwise the despatch or storage of the goods has to be arranged by the customer. Failure to fulfil this obligation of take-over shall entitle PS Automation to store the goods on behalf of and at the cost of the customer in their stock or at a third party and, if necessary, to take out an insurance on behalf of and at the cost of the customer.
- (9) Unless otherwise specifically agreed, customer shall return all packing cases, containers, drums and other reusable packaging materials to PS Automation's works/warehouse in 67098 Bad Dürkheim, Germany, within one month from receipt of the goods at customer cost and in good condition. Customer may be charged separately for any unreturned packaging material by PS Automation.
- (10) Para. (9) shall apply according for any samples PS Automation makes available to customer.

§ 6 - Passing of the Risk

Risk shall pass to the customer upon handing over of the consignment to the forwarder or when it leaves PS Automation's stock in order to be shipped. This shall also apply to partial deliveries or in case PS Automation carry out the installation or assembly of the goods supplied. If despatch is delayed or hindered without any fault on the side of PS Automation, risk shall pass to the customer as soon as readiness for despatch has been announced.

§ 7 - Retention of Title

- (1) Until customer has made payment of all sums due to PS Automation or an associated company, including all balance claims from current accounts, for any legal ground now or in the future, PS Automation shall be granted the following securities which PS Automation will release at customer's request and at its own discretion, provided that their value exceeds the receivables by more than 20 %.
- (2) Ownership of the goods shall remain with PS Automation (reserved goods). The customer may dispose of reserved goods in the ordinary course of business (sell or rent them etc.), unless customer is in default of payment or if its financial situation has considerably deteriorated. The customer must not pledge or chattel-mortgage the reserved goods. The customer hereby fully assigns all claims resulting from a re-sale or other legal act (renting, leasing, insurance, illegal action etc.) of the reserved goods, including all balance claims from the current account as a security to PS Automation who accepts the assignment. PS Automation revocably authorizes the customer to collect the assigned debt on its own behalf for PS Automation's account. This collecting power may be withdrawn, if the customer does not duly fulfil its obligations for payment.
- (3) If reserved goods are accessed by any third party, especially by way of execution, the customer shall make clear PS Automation's ownership and notify PS Automation at once so that they can secure their rights of ownership. In

the event that a third party is unable to reimburse the costs thus incurred by PS Automation in or out of court, the customer shall be held liable.

- (4) Should a customer neglect its duties, especially by default in payment, PS Automation shall be entitled to take possession of the reserved goods at once or demand, if applicable, assignment of the customer's claim for return of the goods against a third party. The recovery or pledging of reserved goods by PS Automation shall not constitute a rescission of the contract.
- (5) Customer shall keep the reserved goods as a trustee for PS Automation until all debts listed in para. 1 above have been satisfied. PS Automation shall be entitled to trace any goods sold on, also if the reserved goods are used otherwise and thus entitle the customer to payment.
- (6) Customer shall be obliged to treat the reserved goods with care and, in particular, insure them at own cost against fire, water and theft at replacement value. Maintenance and inspection work shall be carried out by the customer at own cost, if necessary.

§ 8 - Secrecy

Ordering information submitted to PS Automation shall not be deemed confidential unless expressly agreed in writing.

§ 9 - Warranty

- (1) PS Automation warrants that the products will be free from manufacturing and material defects. The warranty period is 12 months, commencing from the day of the passing of the risk.
- (2) Defects must be promptly indicated to PS Automation by the customer in writing within one week from receipt of the goods at the latest. Defects which cannot be found within this period despite careful examination (non-obvious defects) must be made known to PS Automation in writing immediately after their discovery. The provisions of § 377 HRB [Commercial Code] shall not be affected.
- (3) Notwithstanding the provisions in section 10 of these General Conditions of Sale, PS Automation shall be liable for defects and for the lack of features expressly acknowledged in writing as stated below, while all further liability is excluded:
PS Automation shall repair or replace, as appears reasonable, free of charge all parts which show serious defects or become unserviceable within 12 months from start-up (subsequent performance) on condition that this is due to an event prior to the passing of the risk, especially faulty design, poor material or improper workmanship. PS Automation will acquire ownership of the parts replaced.
- (4) PS Automation shall not give a warranty for defects caused by any of the following circumstances:
 - a) inappropriate or improper use, faulty assembly or start-up by the customer or a third party, natural wear, faulty or negligent treatment, inappropriate equipment, alternative materials, poor construction work, inadequate building ground as well as chemical, electrochemical or electrical influences for which PS Automation is not to blame and
 - b) ; violation of third party property rights to the extent such violation is directly or indirectly caused by the design specifications or instructions bindingly given by the customer.
- (5) Warranty shall also be excluded if the operating or maintenance instructions issued by PS Automation are not adhered to or if products are altered, parts are exchanged or maintenance is carried out by the customer or a third party

or if the consumption material used does not conform to the original specifications and the customer cannot refute PS Automation's substantiated claim that the defect was caused by one of these events. Should the goods supplied by PS Automation infringe upon any third-party industrial property rights, the warranty shall apply only if PS Automation is notified by customer of its use by a third party. In this case, PS Automation may carry out all measures it deems suitable for defending its claims, either in its own name or on behalf of the customer. Amongst other things, PS Automation may also enter into negotiations to resolve the dispute amicably in or out of court.

- (6) PS Automation shall be given sufficient time and opportunity to carry out a necessary subsequent improvement and replacement, which shall be agreed in advance between the customer and PS Automation. Defects may be removed by the customer himself or a third party only if the operating safety or impending danger of serious damage require immediate action, or if PS Automation defaults in the removal of defects in which case the customer may demand reimbursement of the cost from PS Automation. Customer's right to receive a replacement shall be on condition that he has contacted PS Automation in advance.
- (7) Customer claims to expenses incurred from subsequent performance, especially for transport, travel, work and material, shall be excluded if they are based on cost increases incurred when the purchased object was subsequently taken to a place or subsidiary other than that indicated by the customer, unless this move was intended for the item.
- (8) A three-month warranty period shall be granted for replaced parts and remedial work or, as a minimum, the end of the warranty period for the original item supplied.
- (9) In case neither the remedial measures nor the replacement are successful within a reasonable period, the customer may either demand a reduction in price or rescind the contract.

§ 10- Limitation of Liability

- (1) Any customer claims for damages against PS Automation, its employees and representatives shall be excluded, irrespective of the grounds given and, in particular, for the neglect of duties from an obligation or tort.
- (2) This exclusion of liability shall not apply to claims based on the Product Liability Act, to the negligent or intentional injury of a person's life, body or health, or to gross negligence or the intentional violation of legal interest.
- (3) Claims for damages for the violation of essential contractual obligations (i.e. essential duties) shall be limited to the typical, foreseeable damage covered by contract, except in cases of intent or gross negligence, or when liability must be assumed for the injury of life, body or health.
- (4) The above provisions do not change the burden of proof at the disadvantage of the customer.

§ 11- Inspection Tests and Performance Data

- (1) Should the customer wish for specific controls of the goods or materials, PS Automation shall carry out such tests at the customer's expense, if they are technically feasible and can be integrated into the production process.
- (2) PS Automation's warranty obligations stipulated herein shall not be affected by such controls unless they have been previously agreed by way of a separate written understanding.

§ 12- Applicable Law and Venue

- (1) These terms and conditions and the entire legal relationship between PS Automation and the customer shall be governed by and construed in accordance with German law. The UN convention on the international sale of goods (CISG) shall not apply.
- (2) If the customer is a businessman according to the Commercial Code ("HGB") or a legal person under public law respectively public law's special funds, the exclusive venue for all disputes arising from the contractual relationship, either directly or indirectly, shall be Frankenthal/Pfalz.
- (3) In the event that a single provision of these terms and conditions shall be held to be ineffective, void or incomplete, the same shall not affect the validity of the remaining provisions. The contractual parties shall replace the ineffective or void provision or fill the gap by a provision which is most likely to achieve the economic purpose intended by the parties and do so in the form prescribed, if necessary. Should a provision be ineffective or void due to the performance or time (period or deadline) stated, then a legally admissible measure of time or performance shall replace the unenforceable or void designation.

Bad Dürkheim, April 2009