



Standard Conditions of Delivery and Assembly

§ 1

General – Scope of Application

- (1) Our Standard Conditions of Delivery and Assembly shall apply exclusively; we shall not recognize Customer's conditions differing from our own Conditions of Delivery and Assembly, unless we agreed upon such conditions explicitly and in written form. Our Conditions of Delivery and Assembly also apply in the event that we perform the service to the Customer without reservation with knowledge of contradictory conditions or Customer's conditions which deviate from our Conditions of Delivery and Assembly.
- (2) All agreements made between us and the Customer for the purposes of the execution of this contract shall be set down in writing in this contract.
- (3) Our Standard Conditions of Delivery and Assembly only apply to companies in the context of § 310, Section 1 of the German Civil Code [BGB].

§ 2

Offer – Offer documents

- (1) If the order is to be qualified as an offer in accordance with § 145 BGB, we can accept this offer within 2 weeks.
- (2) We reserve property and copyrights on illustrations, drawings, calculations and other documents. This also applies to such written documents referred to as "confidential". Before transferring these to third parties, the Customer requires our express written approval.

§ 3

Prices – Terms of payment

- (1) Unless otherwise stated in the order confirmation, our prices are "ex works".
- (2) Statutory Value Added Tax (VAT) is not included in our prices; it is separately shown in the statutory amount in the invoice on the day of invoicing.
- (3) The deduction of cash discounts requires a separate written agreement. Bank charges for not effected debit entry, uncashed direct debit mandates or checks will be invoiced to the Customer.
- (4) Unless otherwise stated in the order confirmation, the net purchasing price (without deduction) is due for payment within 14 days after invoice date. The statutory regulations regarding the consequences of default in payment shall apply.
- (5) Rights of set-off are due to the Customer only if his counterclaims are final and conclusive, undisputed or accepted by us. He shall, furthermore, be entitled to exercise a right of retention insofar as his counterclaim is based on the same contractual relationship.

§ 4

Delivery time

- (1) Start of the time of performance stated by us assumes clarification of all technical issues. Delivery and assembly periods and deadlines quoted by us are non-binding unless they are expressly specified as binding.
- (2) Fulfillment of our performance obligation presumes the timely and proper fulfillment of the Customer's obligations. We reserve the right to defend against non-fulfillment of the contract.
- (3) If we have assumed responsibility for the assembly of the installation, the Customer shall also bear, unless otherwise agreed, all incidental costs incurred, such as travelling expenses, costs for the transport of goods and material. The Customer makes electricity and compressed air available free of cost.
- (4) If the Customer is in default for acceptance or if he violates other duties of cooperation, then we are entitled to claim compensation for any damage incurred by us, including possible additional expenses. Further claims shall remain unaffected.
- (5) As far as legal premises of Section (3) apply, the risk of an accidental loss or accidental deterioration of the ordered item is transferred to the Customer from the moment the Customer comes into default of acceptance or default of payment.
- (6) We shall be liable in accordance with statutory provisions, provided that the underlying agreement is a fixed transaction in the context of § 286 Section 2 No 4 BGB or of § 376 HGB.



We shall also be liable in accordance with statutory provisions if, as a consequence of any delay in delivery for which we are responsible, the Customer is entitled to assert the right that his interest in the continued fulfillment of the contract has ended.

- (7) Moreover, we shall be liable according to the statutory provisions in so far as the default in delivery is attributable to an intentional or grossly negligent breach of contract for which we are to blame; if our representatives or agents are to blame; this blame is to be attributed to us. If the delivery delay was not due to deliberate violation of the contract our liability for damages is limited to the foreseeable, typically occurring damage.
- (8) We shall also be liable according to the statutory provisions if the delay in delivery for which we are responsible is due to the culpable infringement of a fundamental contractual obligation; in this case, liability for damages is, however, limited to the foreseeable, typically occurring damage.
- (9) For the rest, if there is a delay in supply, we are liable to pay compensation for each complete week delay as part of general delay compensation to the amount of 3% of the delivery value, but with a maximum of no more than 15% of the delivery value.
- (10) Further statutory claims and rights on the part of the Customer shall be reserved.

§ 5

Transfer of risk – Transit insurance

- (1) Unless otherwise specified in the order confirmation, delivery is agreed to be 'ex-works'.
- (2) If required by the Customer, we will cover the delivery by transit insurance; the cost incurred in this respect is borne by the Customer.

§ 6

Software

- (1) Integral part of a Computerized Mat Cutter is a PC-System with software. As far as the software originates from third parties, the license terms accompanying the software are valid. For the software we produce the following terms and conditions shall apply:
- (2) The software (program and manual) supplied is protected by copyright. We are solely entitled to the rights relating to the software as well as to any other documentation.
- (3) We grant to the Customer a non exclusive license for an unlimited right in terms of time and space to use the software at the Customer's premises for the Customer's own purposes and in the manner described in the manual. The Customer shall be entitled to copy the software within the scope of its contractual use as contemplated herein. The Customer shall be entitled to load the software onto the main data memory and hard disk of the hardware used by him.
- (4) The Customer shall be entitled to make the number of backups necessary for safe operation. Such backups shall be clearly identified as such and (as far as technically possible) shall be provided with the same copyright notice which also appears on the original data media. The user's manual may only be copied for the Company's internal purposes.
- (5) The Customer shall not be entitled to change or deface in any manner any copyright notices, trademarks, other legal reservations, serial numbers or other features used for program identification purposes.
- (6) The Customer may only pass the software on to third parties if the recipient agrees to the continued validity of the agreed terms and conditions. If the Customer passes the software to a third party, he ceases the use of the software with final effect and does not retain any copies thereof. He passes these data media and user manuals in the original to a third party.
- (7) Any other form of using the software, including, but not limited to, its translation, adaptation, arrangement and any other alteration (excluded the exceptions pursuant to sections 69 d, 69 e of the German Copyright Law [§ 69 UrhG]) and other processing of the software (offline or online) as well as renting or leasing thereof shall be subject to our written consent.
- (8) We may revoke this right of use because of important reasons. An important reason is present in particular if the Customer is in default of payment with a substantial part of the compensation or fails to comply with the conditions of use and not even paying on receipt of a written warning with indication of the intention to revoke. With the revocation of the rights of use the Customer shall hand over the original software and existing copies and delete stored programs. At our request he shall certify the restitution and deletion in written form.
- (9) The Customers shall take adequate measures to protect the software against any unauthorized access by third parties.



- (10) The customer shall take adequate measures for the event that the program does not operate properly in whole or in part. He shall thoroughly check the software on its usability for the intended purpose before its operational use. Furthermore, he will save his data according to the state of the art. He ensures that current data can be produced at reasonable costs in a machine-readable form from databases made available.

§ 7

Mängelhaftung

- (1) Claims for defects by the Customer presuppose that he has properly complied with the inspection and notification obligations in accordance with § 377 HGB.
- (2) As far as an item proves to be defective the Customer can, at his discretion, either remedy the defect by carrying out a repair or by supplying a new product which is free of defects. In the event of remedy of defects, we are obliged to bear all expenses necessary for the remedy of defects, in particular transport, labor and material expenses, except when the expenses increase because the goods are brought to a place other than the place of performance.
- (3) In the event that the remedial action fails, the Customer shall be entitled, at his own discretion, to withdraw from the contract or demand a reduction in price.
- (4) We shall be liable in accordance with statutory provisions insofar as the customer asserts claims for damages and compensation which are based upon willfulness or gross negligence on our part, including any willful or gross negligence of our representatives or agents. To the extent that we are not accused of intentional breach of contract, liability for damages is limited to the foreseeable and usually occurring damages.
- (5) We are liable in accordance with the relevant statutory regulations insofar as we infringe an important contractual obligation; however, in such a case, compensation for damages shall also be limited to foreseeable, typically occurring damage.
- (6) Insofar as the customer is entitled to claim for compensation for damages instead of contract performance, our liability shall, also within the framework defined in Section (3), be limited to foreseeable, typically occurring damage.
- (7) Liability due to culpable injury of life, body or health remains unaffected; this also applies in cases of compelling liability in accordance with the German Product Liability Act.
- (8) Insofar as not otherwise agreed hereinabove, any liability shall be excluded.
- (9) The limitation period for claims for defects is 24 months, calculated from the transfer of risk. For second-hand machines this period of limitation is 12 months.
- (10) The statutory period of limitation in the case of a delivery regress in accordance with §§ 478, 479 BGB remains unaffected; it is five years, calculated from delivery of the defective item.
- (11) Regardless of any liability for the defect, we grant a warranty of 24 months for the Computerized Mat Cutter; for second-hand machines this period is 12 months. Within this period the Computerized Mat Cutter shall be repaired or replaced free of charge unless the failures or damages can be attributed to incorrect use by the Customer or to changes executed by him. This warranty does not apply to hardware and software.

§ 8

Joint liability

- 1) Liability regarding damages beyond what is provided for in section 7 is excluded – without consideration of the asserted claim's legal nature. This shall apply in particular for compensation claims for damages based on fault when entering into the contract, on account of other breaches of duty or on account of tortious compensation claims for property damage in accordance with § 823 BGB.
- (2) To the extent that liability for damages is excluded or limited for us, this also applies in regard to the personal liability for damages of our employees, workers, associates, representatives and agents.

§ 9

Industrial Property Rights

- (12) We reserve the title to the delivery item until receipt of all payments from the supply agreement. In the case of behavior contrary to the contract by the Customer, in particular default in payment, we shall be entitled to take back the delivery item. Taking back the delivered item does not represent a withdrawal from the contract, unless this has been



- explicitly declared by us in writing. The seizure of the delivered item by us shall always imply a withdrawal from the contract. After seizing the delivery item we shall be authorized to use it. Any revenues from such use must then be offset against the Customer's liabilities - after deduction of reasonable realization costs.
- (13) The Customer is obliged to handle the delivery item carefully; he is especially obliged to sufficiently insure it at his own cost against damages from fire, water and theft at the original value. Insofar as maintenance and inspection work is required, the Customer must perform this at his own expense on a timely basis.
 - (14) In the event of seizure or other third-party interventions, the Customer must immediately notify us in writing so that we may file a suit in accordance with § 771 of the German Civil Code Procedure (ZPO). In as far as the third party is unable to refund our judicial and extra-judicial costs for a lawsuit pursuant to § 771 ZPO, the Customer shall be liable for any loss incurred by us.
 - (15) The Customer is entitled to resell the delivery item in the ordinary course of business; he shall, however, assign to us already now any claims amounting to the total sum invoiced (including VAT) which it will incur in connection with reselling the items to his customers or to a third party, independently whether the delivered items have been resold without or after processing. The Customer remains authorized for collection of these receivables even after assignment. Our authority to collect the claim ourselves remains unaffected by this. We undertake, however, not to collect the claim as long as the Customer meets his payment obligations resulting from collected profits, does not enter into default of payment, in particular provided that no bankruptcy, composition or insolvency proceedings have been filed or cessation of payments occurs. If this is the case, however, we can demand that the Customer inform us of the claims assigned and the respective debtors, and provides all information necessary for collection, including handing over the corresponding papers, and notify the debtor (third party) of the transfer.
 - (16) Any processing and transformation of the delivery item by the Customer shall always be carried out on our behalf. In the event that the delivery item is processed with other items not belonging to us, we shall acquire joint ownership of the new item in a ratio equal to the value of the delivery item (total invoiced amount, including VAT) to the value of the other processed items that were processed at the time the processing was carried out. For the item produced as a result of this processing, the same applies as to the purchased goods delivered under reserve.
 - (17) If the delivery item is mixed inseparably with other items which do not belong to us, then we acquire a joint ownership of the new item in relation of the value of the delivery item (total invoiced amount, including VAT) to the other mixed items at the time of mixing. If the mixing takes place in such a way that the Customer's object is seen as the primary item, it is hereby agreed that the Customer transfers joint ownership to us proportionally. The Customer shall safeguard the sole ownership or joint ownership thus created on our behalf.
 - (18) To secure our claims against the Customer, the Customer shall also assign to us claims which he acquires vis-à-vis a third party as a connection of the delivered item to a real property.
 - (19) On the request of the Customer, we undertake to release securities to which we are entitled to the extent that the realizable value of our securities exceeds the secured claims by more than 10 %. The choice of the securities to be released shall be incumbent upon us.

§ 10

Place of Jurisdiction – Place of Performance – Applicable Law – Contract Language

- (1) Provided that the Customer is a merchant, Ellwangen shall be the place of jurisdiction; however, we shall also be entitled to take legal action against the Customer at the courts having jurisdiction where he is resident.
- (2) The laws of the Federal Republic of Germany shall be applicable, excluding UN sales law. The contract language is German.
- (3) Unless otherwise specified in the confirmation of order, our registered place of business shall be the place of performance.

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