

General terms and conditions

1. General information

The deliveries and services of KRONEN GmbH shall be rendered subject to the following terms of delivery:

If the purchaser's conditions of purchase deviate from these terms, they shall not apply unless confirmed by us in writing. By submitting the present terms of sales and delivery we explicitly reject any deviating terms of purchase.

2. Quotations

Our quotations shall be non-binding and subject to change without notice. Furthermore, orders including any ancillary verbal agreements shall not be deemed accepted by us unless we have confirmed them in writing.

3. Scope of delivery

Unless explicitly identified as binding, all performance specifications, illustrations, etc. shall be non-binding. Excluded from this provision shall be services agreed upon by contract insofar as deviations from the contractual agreement are not customary or the purchaser can prove that the deviation from the service agreed upon by contract is unreasonable for the purchaser. We reserve copyright and rights of ownership over drawings, calculations, and other documentation. These documents must not be disclosed to any third parties.

4. Prices

Prices are ex works in EUR not including packaging, transportation and installation. Any deviating agreements shall not apply unless confirmed explicitly in writing.

5. Payments

Payments shall be made exclusively to us. Any payments made to representatives or other employees shall not discharge the purchaser from his or her obligation to pay. Payments must be made within 14 days of date of invoice without deduction. If the payment target is exceeded, interest of 3 % above the respective basic rate of interest set by the European Central Bank shall be paid on the invoiced amount. Enforcement of further claims for damages caused by delay shall not be excluded. Bills of exchange and cheques shall only be accepted on account of payment. Any discount charges shall be borne by the purchaser.

If circumstances are revealed after the conclusion of contract which may affect the financial standing of the purchaser, all receivables shall become due with immediate effect. Such circumstances shall also authorise us to subject all outstanding deliveries to payment in advance or security deposits and – if the purchaser is in arrears with making such payments in advance or security deposits – allow us, after granting a reasonable grace period, to withdraw from the contract or claim damages for non-performance.

If the purchaser is a merchant and the contract is part of the purchaser's commercial business, no claims of any kind shall authorise the purchaser to withhold payment. Withholding payments or setting them off against any counter-claims of the purchaser shall not be allowed in this case.

If the purchaser is not a merchant or the contract is not part of the purchaser's commercial business, the purchaser may withhold payment in the event of any claims only to the extent provided for in the contractual relationship between us and the purchaser; setting off payments against counter-claims shall only be permitted if such counter-claims are undisputed or effective and shall, otherwise, be excluded.

6. Shipping

All shipping expenses shall always be charged to the purchaser. We shall be responsible for any transport damage to the extent provided for in our transport insurance policy.

7. Delivery period

The delivery period shall commence at the time the order confirmation is sent, however, not before the documents, permits, and releases to be provided have been procured by the purchaser and the payment of an agreed first instalment has been received. The delivery period shall be deemed to have been observed if the delivery item has left our factory or readiness for dispatch has been reported by the end of the delivery period.

The agreed delivery period shall be extended by a reasonable period of time in the event of unforeseeable events – whether they have occurred at our factory or at one of our suppliers. Such events may include interruptions of operation, delays in the delivery of crucial raw materials as well as any other hindrances for which we are not responsible and which significantly affect the completion of the delivery item or its shipment. We shall also not be responsible for the aforementioned circumstances if they occur during the period of an already existing delay. In important cases, we shall notify the purchaser about the beginning and the end of such hindrances as soon as possible.

If shipment is delayed at the purchaser's request, we shall charge the purchaser for the costs incurred by storing the delivery item starting one month after readiness for dispatch was announced. We shall, however, have the right to dispose of the delivery item in a different manner or postpone delivery to the purchaser by a reasonable period of time if the grace period we have granted expired without action.

The observance of the delivery period requires that the purchaser fulfil all of his or her contractual obligations.

Partial shipments shall be permitted and must be paid for in line with the agreed conditions provided the shipped items can be considered as units.

8. Liability for defective shipments

Provided the purchaser has not authorised any modifications or repair work, we shall be liable for defects of the delivery item to the extent specified below and excluding any further claims:

All parts shall be repaired or replaced at our discretion if they have become verifiably unusable within a period of 12 months from the date of delivery due to circumstances that precede the transfer of risk and arise, in particular, from faulty design, the use of poor materials or inadequate workmanship. In case of a conclusive failure of the repairs or replacement shipments, the purchaser shall have the right to demand that the contract amount be lowered or refunded or that the contract be cancelled. Claims for damages can only be accepted if the damage was caused by us in a deliberate or grossly negligent manner. We shall not be liable for any damages resulting from carelessness or improper treatment on the purchaser's part or caused by excessive stress or normal wear. Moreover, no guarantee shall be given for the suitability of the equipment provided by the customer which has an effect on our deliveries even if we performed an inspection of such equipment beforehand.

All electrical components shall be guaranteed in accordance with VDE regulations for a duration of 12 months from the date of delivery.

9. Detection of defects

We must be notified in writing about any discovered defects without delay and no later than 10 days after said defects are discovered. As long as the purchaser has not fulfilled his or her obligations to pay in accordance with item 5 of these terms, we shall not be required to correct the defects reported; if the purchaser is not a merchant or the contract is not part of his or her commercial business, we shall also not be responsible for correcting said defects if the purchaser, on grounds of the claimed defect, withholds a portion of the payment due which is disproportionate to the defect.

10. Representatives and employees

No agreements or other declarations of intent entered by our representatives or employees shall be binding for us or effective unless they have been confirmed by us in writing.

11. Assignability of contract

The purchaser must not assign his or her contractual rights and obligations to any third party without our consent.

12. Retention of title

We reserve the right to retain the title to all delivered items until all outstanding dues arising from our business relationship with the purchaser – including current account balances – have been settled. The following shall apply in particular to the retention of title:

I. For end users:

- a. Our retention of title shall not be affected by the fixing of our machines and attachments to the wall and the floor as well as their connection to the inlet and outlet pipes.
- b. The purchaser shall not be allowed to resell or borrow against the delivery item. If the delivery item is seized by a third party, the purchaser shall be obligated to inform the distraint officer of our retention of title and notify us about the distraint by registered post. This notice must include the garnishment record as well as an affidavit to the effect that the seized items are identical to the items delivered by us under retention of title. Any costs in connection with debt collection and interventions shall be borne by the purchaser.
- c. Our retention of title shall also remain in effect if our individual receivables have been incorporated into an open invoice (current account) and the balance has been struck and recognised.

If the value of the securities incurred by us due to the retention of title exceeds the amount of our receivables by 20%, we shall commit to release, at our discretion, a part of the securities given at the purchaser's request.

- d. If the purchaser falls in arrears, we shall be entitled to either take back the delivery item without foregoing our other claims until all receivables have been fully paid or withdraw from the contract. Lien and offset rights shall be excluded.

In the event of an actual seizure of the delivery item, all costs including those caused by a possible re-installation, shall be borne by the purchaser. If withdrawing from the contract, the purchaser must reimburse us both for utilising the delivery item and any depreciation in value caused by the purchaser.

- e. The same rule shall apply if the purchaser becomes insolvent or bankruptcy proceedings are opened against the purchaser's assets or if the purchaser seeks a moratorium. We reserve the right to seize the delivery item. No distraint shall be deemed an abandonment of our right to retention of title. The purchaser shall lose his or her right to performance of contract in the event of enforcement of a lien.

II. The following shall apply in addition for resellers:

- a. Resellers shall be allowed to resell the delivery item only in the regular course of his or her business and only under the condition that the reseller sells the delivery item for cash or subject to the reservation that the title will not be transferred to the customer until the purchase price has been paid in full to the reseller. Our consent to the transfer of title to the customer shall be given subject to these stipulations.
- b. In order to secure all claims we have against the purchaser on which legal grounds whatsoever, the purchaser shall, if reselling the delivery item, hereby assign to us in advance all of his or her claims against his or her customers – including all accepted current account balances – arising from the resale of the goods under retention of title. We shall hereby accept this assignment (extended retention of title).
- c. In the event that the goods under retention of title are sold for a total amount or on account by the purchaser along with goods that do not belong to us, the assignment of the purchase price claim already stipulated hereby shall be limited to the amount charged to the customer by the purchaser for our goods under retention of title.
- d. Until revoked, the present assignment shall not hinder the reseller to collect the claimed purchase price.
- e. If his or her customer falls in arrears, the purchaser shall be obligated at our request to submit to us without delay a detailed list of the goods under retention of title as well as the assigned receivables including information as to their amount and the address of the third-party debtor. The purchaser shall, furthermore, without delay, be required to single out the goods under retention of title, release them to us at our request and inform the respective third-party debtor of the assignment. Lien and offset rights shall be excluded. The same rule shall apply if the purchaser becomes insolvent or bankruptcy proceedings are opened against the purchaser's assets or in case an extraordinary moratorium is sought by the purchaser.
- f. In case the real value of the security given to us exceeds our total claim by more than 20%, we shall be obligated – at the purchaser's request – to return, at our discretion, a part of the securities given to the purchaser.

13. Severability clause

If any of the preceding provisions is held or becomes partially or fully void, the contract and its remaining provisions shall remain in full effect. Acting in good faith and as can be reasonably expected, the purchaser and ourselves are obligated to replace the invalid provision by a valid provision whose effects most closely resemble the economic purpose pursued by us and the purchaser, as long as no important change in the content of the contract is caused hereby.

14. Applicable law, place of performance and court of jurisdiction

The contract – also if applying to foreign purchasers – shall be governed by the laws of the Federal Republic of Germany. The place of performance for all mutual obligations resulting from the contract shall be D-77694 Kehl. The court of jurisdiction for all mutual obligations resulting from this contract – including bill of exchange and check cases – when concluded with merchants shall be D-77694 Kehl.

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