

**General Terms and Conditions of Business**

applicable to the Deliveries of Goods  
and the Provision of Services of  
BU Power Systems GmbH & Co. KG  
- As from: December 2010 -

**§ 1  
Scope of Application  
of these General Terms and Conditions of Business**

1.1 All our deliveries of goods, provision of services, and submission of offers shall take place in accordance with these General Terms and Conditions of Business (hereinafter also called: "Terms and Conditions") and are exclusively based on them.

Any terms of business of customers, buyers, other parties to a contract, etc. ("Contractual Partner"), which are conflicting with, or diverging from, these Terms and Conditions, shall only apply if they are explicitly acknowledged by a member of our management board or by a prokurist, i.e. a person vested with general commercial power of representation according German law, or by a representative authorized by us for such purpose.

General terms and conditions of business of the Contractual Partner shall not be binding even if their application is not expressly contradicted. Any tacit acknowledgement of the general terms and conditions of business of the Contractual Partner on account of a conduct, from which such intention may be implied, shall be excluded.

1.2 These Terms and Conditions shall also apply to any future contract relationships. They shall apply irrespective of the fact whether they are separately referred to in individual cases or not.

1.3 Any regulations diverging from, and / or supplements to, these Terms and Conditions shall require written form. This stipulation does not apply to regulations, which are agreed with members of the executive board or with prokurists, i.e. persons vested with general commercial power of representation according German law, or with other persons, which have been authorized by us to agree such diverging regulations or supplements.

**§ 2  
Submission of Offers and Conclusion of Contracts /  
Rights to our Documents / Estimates of Costs and Expenses**

2.1 Our offers are subject to change and are not binding. Any contract shall only be brought about when we accept the purchase order of the Contractual Partner. The delivery of a non-binding estimate of costs sent by us does, under no circumstances, establish the conclusion of a contract with the Contractual Partner.

A contract between us and the Contractual Partner shall also be brought about (i.e. without any confirmation communicated by us) when we deliver the ordered goods and / or perform the ordered services and the Contractual Partner accepts such goods and / or services.

In the event that the ordered goods and / or services are not delivered and / or are not performed completely because it turns out that the delivery & performance is, in part, not possible or because the complete delivery & performance of such goods and services is economically unreasonable and the Contractual Partner therefore refuses acceptance of the complete goods and services in accordance with § 2.5 or § 3.1 of these Terms and Conditions, we shall be entitled to bill all those goods and services, which have been delivered and / or performed by us until such date.

2.2 Orders can be accepted by us within a period of two (2) weeks following their receipt by us.

2.3 Unless otherwise agreed, we reserve the right of ownership, the copyright and any other intellectual property rights with respect to all offers, estimates of costs and expenses, drawings, figures, descriptions, other documents and records, which have been submitted by us, are from us or from any third party, and are provided by us or by any third party to the Contractual Partner.

Without our express consent, the Contractual Partner must not disclose the objects themselves referred to above or their contents to any third party.

Any use of the objects and documents referred to above as well as any duplication shall only be admitted to the extent that is required for the conclusion or the performance of contracts with us.

The documents and materials referred to above including any duplicates shall promptly be returned to us, at the expense of the Contractual Partner, if a contract is not brought about or if such documents and materials are no longer required for the subsequent performance of a contract.

2.4 The Contractual Partner shall observe our notes concerning the use of the objects and documents referred to in section 2.3 herein. In particular, the Contractual Partner shall observe the limitations of use specified in these documents and must not use the objects and documents for any purposes other than the intended ones.

2.5 Estimates of costs and expenses shall not be binding. In the event that a contract is brought about on the basis of a non-binding estimate of costs and expenses, we may exceed the price specified in the estimate of costs and expenses by up to 10%.

In the event that it can be seen that the price specified in the estimate of costs and expenses will be exceeded by more than 10%, we will notify the Contractual Partner. We shall be entitled to stop the work and related activities until a binding agreement is concluded with Contractual Partner on additional work and activities.

Based on our notification (i.e. that it can be seen that the price specified in the estimate of costs and expenses will be exceeded by more than 10%), the Contractual Partner shall be entitled to terminate the relevant contract.

In such a case, we shall be entitled to bill the price for the goods delivered, and the services performed, until the date of notification in accordance with the estimate of costs and expenses.

**§ 3  
Acceptance of Items for Repairs /  
Exchange of Items / Tuning**

3.1 Concerning the extent of maintenance work and / or repairs, the respective contractual agreement shall be applicable. The basis of that agreement will be the data and information made available to us by the Contractual Partner.

If it appears – during the implementation of the contract – that the performance of the agreed maintenance work and / or repairs is not possible and this could not be recognized upon the conclusion of that contract, we shall be entitled to bill the Contractual Partner for all work that had been performed before such impossibility of performance was determined.

Based on our notification, the Contractual Partner shall be entitled to terminate the contract; in such a case, we shall be entitled to invoice any work performed until such date. We shall only be obligated to continue the work, when the Contractual Partner bindingly charges us with the continuation of the work.

3.2 In the event that we take in payment any item of the Contractual Partner, this means that we conclude a contract of purchase with the Contractual Partner with respect to the item to be delivered by us and that the Contractual Partner will only be entitled to transfer ownership of its item to us instead of paying the purchase price.

We shall be entitled to all rights (i.e. without any reduction of such rights), which arise from defects or faults of the item(s) provided by the Contractual Partner. In particular, any items taken in payment must be free from welded or non-welded fractures and / or cracks.

3.3 In the event that we take in payment any items, the price agreed for such items, which were taken in payment, will be dependent on the condition that the items taken in payment can be repaired. If individual components of such item(s) taken in payment cannot be repaired any longer, we shall be entitled to replace these components and to calculate a reasonable deduction from the price of the item(s) taken in payment. The Contractual Partner shall be entitled to reclaim any components, which have been replaced by us.

3.4 In the event that the Contractual Partner charges us with a tuning of any items, which are the subject matter of a contract, or a machining of old-time items, which are the subject matter of a contract, we shall be obligated to perform the agreed work in due form. Unless otherwise agreed, any specific result or success over and beyond the performance of such work shall not be owed.

**§ 4  
Maintenance Services**

4.1 Any maintenance services shall be performed by us only on the basis of separate agreements. Such agreements shall be decisive for the extent of the maintenance services owed by us.

4.2 On the basis of a maintenance contract, we shall only be obligated to deliver the goods and / or perform the services that are agreed in such maintenance contract. Any result or success over and beyond such delivery of goods and performance of services and, in particular, the attainment of a specific service life of the maintained objects shall require a separate agreement.

4.3 In the absence of such a respective agreement, we shall not be obligated to respond to errors & faults reported to us and / or to eliminate such errors & faults within a defined period of time.

4.4 The Contractual Partner shall enable us to access all items, for which a maintenance agreement was concluded, and shall provide, in addition, all specialized and auxiliary staff, fuels, energy, and water including any required connections, heating, and lighting as well as take any other measures required for the performance of maintenance activities.

In case of added difficulties and / or delays resulting from the fact that the Contractual Partner does not meet, in full or in part, the duties referred to above or insufficiently meets such duties, we shall be entitled to bill a reasonable compensation for these conditions.

**§ 5  
Advisory and Consulting Services**

5.1 In the event that we advise the Contractual Partner with respect to the suitability, usability, or other characteristic features of our products, the Contractual Partner shall be obligated to hand over to us – without any express request – all information and documents, which are required for such consulting services. The consulting services shall be performed on the basis of information and documents disclosed to us by the Contractual Partner.

5.2 In the event that we advise the Contractual Partner on the installation and / or assembly of our products – irrespective of the fact whether such installation and / or assembly is performed by the Contractual Partner itself or by any third party – these consulting services shall comprise (in the absence of any separate agreement) only the answering of individual questions related to the installation and / or assembly. They do not comprise any supervision of the installation and / or assembly by us.

**§ 6  
Professional Training and Education Services**

6.1 Any professional training services will be performed by us only on the basis of separate agreements concluded with the Contractual Partner. We shall not be obligated to perform any additional services, which would exceed such agreed services.

6.2 With respect to all documents delivered to the Contractual Partner and / or to any participants of training courses (named by the Contractual Partner), we reserve the exclusive right of exploitation. The Contractual Partner and / or such participants of training courses (named by the Contractual Partner) shall only be entitled to use the training documents within the framework of the training and for their own purposes (non-exclusive right of use and enjoyment).

Any passing on of such training documents to third parties shall require our prior consent in writing.

6.3 The Contractual Partner shall be obligated to check the qualifications of the staff members, which are selected by the Contractual Partner for the participation in a training course. We shall be entitled to refuse the professional training of those persons who are not qualified (as can be proved) for a training course.

**§ 7  
Prices and Terms of Payment /  
Rights of Setoff and Retention / Advance Payments**

7.1 Unless agreed otherwise, our prices shall apply "ex works". The cost of transportation and packaging are not included in the prices and will be billed as separate items.

7.2 The legal value-added tax is not included in our prices. It will be calculated on the basis of the legally required rate that is applicable at the date of billing and will be shown separately as far as our deliveries are subject to value-added tax.

In case of foreign business transactions, the Contractual Partner shall pay the duties and charges, which arise from the transfer into the consignee's country (in particular, customs duties), and, in addition, the legal duties and / or charges arising in the consignee's country itself.

As far as we must pay any duties and / or charges, first of all, by ourselves in case of foreign business transactions, the Contractual Partner shall reimburse us for the payments of such duties and / or charges.

7.3 Our invoice amounts are due immediately and shall be paid within a period of thirty (30) days following the receipt of such invoice by the Contractual Partner.

In the event that we perform any work or industrial services (within the meaning of § 631, Section 1, of the German Civil Code), which do not comprise the delivery of movable property to be manufactured or to be produced, the maturity of an invoice amount shall require – besides the receipt of such invoice by the Contractual Partner – the acceptance.

Upon the expiration of the time for payment, the Contractual Partner shall be in default without requiring any demand for payment. In the event of a default in payment, we shall be entitled to demand the legal interest for late payment. The assertion of any additional damage shall remain unaffected.

7.4 Any discounts shall be granted by us only on the basis of separate agreements.

7.5 The Contractual Partner shall be entitled to setoff only with respect to such dues owed to the Contractual Partner, which have become final and absolute or are undisputed. The same shall apply to the assertion of a right of retention.

7.6 In the event that advance delivery of goods or advance performance of services are required in order to deliver goods to, or perform services for, the Contractual Partner (e.g. procurement of materials, planning services), we shall be entitled to require a reasonable amount of advance payments in accordance with such advance delivery of goods or advance performance of services. Our rights according to § 321 of the German Civil Code shall remain unaffected.

**§ 8  
Times of Delivery and Delayed Deliveries**

8.1 The observance of the delivery times specified by us requires the punctual receipt of all documents to be delivered by the Contractual Partner, of other information, and of possibly needed approvals and releases. The same applies to advance payments to be made by the Contractual Partner. In the event that these prerequisites are not met because of reasons, which are outside of our sphere of responsibility, the times of delivery shall be extended on a reasonable scale.

8.2 Any operating troubles caused by force majeure, strikes, lockouts or lack of operating resources or raw materials, which are outside of our sphere of responsibility, shall entitle us to cancel a contract not yet performed if the circumstances referred to above ensure that a delivery of goods or the provision of services will be permanently impossible and, in addition, could not be foreseen when that contract was concluded.

8.3 The punctual and correct delivery of goods to, and performance of services for, our company shall be reserved.

8.4 In the event that we are in default with respect to a delivery of goods or a performance of services or if a delivery of goods or a performance of services is impossible, a damage claim of the Contractual Partner shall be limited subject to the regulations of section 14 hereof.

8.5 The Contractual Partner shall not be entitled to cancel a contract because of delays in delivery, which are outside of our sphere of responsibility.

In the event that the Contractual Partner is entitled to a right of cancellation because of a delay in delivery, for which we are responsible, the Contractual Partner shall state (if requested by us), in writing and within a reasonable period of time, whether it cancels the contract or insists on the delivery.

If the Contractual Partner does not make a statement within the specified, reasonable period of time, the Contractual Partner shall grant to us an additional reasonable period of time for the delivery of our goods and / or the performance of our services and may only cancel the contract when even such period of time expired unsuccessfully.

8.6 As far as an agreement was reached with the Contractual Partner that our delivery of goods and / or performance of services shall not take place at a fixed date but within a specific period of time, we shall be entitled to deliver the goods or perform the services even before the expiration of such period of time.

In the event that a fixed date of delivery had been agreed with the Contractual Partner and we accordingly informed the Contractual Partner a reasonable period of time prior to the delivery of such goods or prior to the performance of such services, we shall be entitled to an advance delivery of goods or an advance performance of services as far as this can reasonably be expected. This does not apply if the delivery of such goods or the performance of such services can only take place at the agreed date because of reasons that can be recognized by us.

**§ 9  
Passing of the Risk / Acceptance Inspection**

9.1 Unless agreed otherwise, the delivery shall be effected "ex works".

9.2 In any case, the risk shall pass to the Contractual Partner if the Contractual Partner fails to take acceptance with respect to the relevant delivery of goods or performance of services.

9.3 At the request of the Contractual Partner, we shall take out a transport insurance policy for the delivery items. The costs of such an insurance policy shall be paid by the Contractual Partner. The Contractual Partner shall ensure that all prerequisites applicable to the installation and / or assembly shall be met.

9.4 As far as this is possible from a technical point of view and is acceptable to the Contractual Partner, the acceptance inspection of the work to be produced by us shall take place – at our discretion – on the premises of our factory.

**§ 10  
Performance of Deliveries / Deployment of Third Parties**

10.1 Partial deliveries shall be admissible as far as they are reasonable and acceptable to the ordering person / organization. The same shall apply to any excess or short deliveries, which are customary in the trade.

10.2 Unless agreed otherwise, we shall select – in case of deliveries – the packaging and the type of shipment according to our best judgment.

10.3 In the event that the Contractual Partner defaults in acceptance or infringes any other duties to cooperate, we shall be entitled to all legal claims for damages and compensation for extra expenses (i.e. to their full amount).

10.4 When fulfilling our duties, we shall be entitled to deploy third parties.

**§ 11  
Special Regulations applicable to Installation and Assembly**

11.1 Any installation and / or assembly shall be performed by us only on the basis of a separate agreement.

11.2 In the event that we take on the installation and / or the assembly, the Contractual Partner shall – at its expenses and in good time – grant access to the relevant place of utilization, provide any required specialized and auxiliary staff, fuels, energy, and water at the relevant place of utilization (including any required connections, heating, and lighting), as well as take any other measures required for the installation and / or the assembly.

11.3 In addition, the Contractual Partner shall provide the required working spaces and offices.

11.4 In any case, the Contractual Partner shall inform us of all possible risks and particularities related to the installation and / or the assembly.

11.5 In case of added difficulties and / or delays resulting from the fact that the Contractual Partner does not meet, in full or in part, the duties referred to above or insufficiently meets such duties, we shall be entitled to bill a reasonable compensation for these conditions.

**§ 12**

**Claims because of Defects in Quality**

12.1 Any information provided on our delivery items and / or other services shall be quality descriptions and do not constitute any guarantee, warranty or representation.

In the event that we deliver our goods or perform our services on the basis of any specifications or a statement of work, the owed quality of our deliveries or services shall be described therein. In the absence of any specific agreement, our deliveries of goods and performance of services will correspond to the regulations applying in the Federal Republic of Germany and to the state of the art recognized in the Federal Republic of Germany.

12.2 The Contractual Partner must not reject a shipment because of insubstantial defects or faults. Any deviations, which are customary in the trade, shall not constitute any defects or faults.

12.3 The Contractual Partner shall be obligated to examine the delivery item(s), carefully and promptly, as soon as they are delivered. The same shall apply if we deliver the item(s), according to the instructions of the Contractual Partner, to any third party.

The delivered items shall be deemed approved if a default or defect, which could have been discovered through a careful examination, is not promptly notified. In the event that the defect or fault could not be recognized through a careful examination, the period of time applicable to a punctual written notification of a defect / fault shall start from the date of its discovery.

If a defect / fault is discovered prior to a subsequent use of the delivery item and, in particular, before its installation, the Contractual Partner shall refrain from any subsequent use, which renders more difficult or frustrates the later examination and determination of the defect / fault, its elimination, or the return of the defective / faulty item to us within the framework of the subsequent fulfillment or leads to a damage to the delivered item.

12.4 As far as this is reasonable, the Contractual Partner shall promptly enable us to examine a defect / fault during the customary business hours. In the event of a notification of defect, which is willfully and knowingly wrong or is wrong because of gross negligence, the Contractual Partner shall be liable for the damages resulting to us from such behavior.

12.5 We shall not be liable for any defects / faults, which arise from any improper treatment of the items (delivered by us) by the Contractual Partner or by any third party. This shall apply, in particular, to such defects / faults, which are caused by a faulty installation. We shall not be liable either for any operational wear and tear of the items delivered by us.

12.6 In case of a quality in defect, we shall be obligated, at our discretion, either to deliver a faultless item or to subsequent improvement, rectification, repair, etc. ("subsequent fulfillment"). Within the framework of such a subsequent fulfillment, we shall be obligated to pay all required expenses and, in particular, costs of transportation, travels, labor and materials as far as these are not increased through the fact that the purchased object was transferred to a location other than the original place of delivery or consignment. This does not apply if the transfer to a different location corresponds to the proper use of the delivery item.

When we select – as such a subsequent fulfillment – a subsequent delivery or a replacement, the faulty delivery items shall be returned to us "free carrier" with the Contractual Partner being obligated to choose the most reasonable mode of shipment.

12.7 In the event that a subsequent fulfillment fails, the Contractual Partner shall be entitled, at its discretion, either to reduce the purchase price, to demand damages in lieu of performance, compensation for wasted expenses as well as – in case of a contract for services within the meaning of § 631, Section 1, of the German Civil Code, which does not comprise the delivery of movable property to be manufactured or to be produced – to eliminate the defect / fault by itself and to demand the corresponding advance.

With respect to insubstantial defects or faults, the Contractual Partner shall not be entitled to any claims for damages in lieu of performance or compensation for wasted expenses. The existence of insubstantial defects or faults shall not entitle the Contractual Partner either to cancel a contract.

A subsequent fulfillment has failed:

if we do not succeed in eliminating the defect / fault within a reasonable period of time granted by the Contractual Partner,

if two (2) attempts of subsequent fulfillment performed by us fail,

if we genuinely and finally refuse a subsequent fulfillment, or

if the performance of such subsequent fulfillment is not acceptable to the customer.

Our rights according to § 275 of the German Civil Code, i.e. to refuse subsequent fulfillment in a specific form, shall remain unaffected.

12.8 In the event that the Contractual Partner is entitled, because of a failed subsequent fulfillment, on the one hand, to continue to demand subsequent fulfillment and, on the other hand, to assert – instead of this – its legal rights, we can ask the Contractual Partner to exercise its rights within a reasonable period of time.

The Contractual Partner shall inform us, in writing, of its decision. The receipt of the written declaration of the Contractual Partner by us shall be decisive for the observance of such a period of time. In the event that the Contractual Partner does not exercise its rights within the specified time, it can only assert its rights and, in particular, its right to cancellation or damages, when a new and reasonable period for a subsequent fulfillment (to be defined by the Contractual Partner) expired without any success.

12.9 Any claims because of defects in quality shall become statute-barred within one (1) year after the delivery to the Contractual Partner or to a third party nominated by the Contractual Partner. The limitation of actions in according with this provision shall also apply to damage claims because of the delivery of a defective / faulty item.

This does not include any damage claims because of wrongful intent or gross negligence as well as any claims because of fatal injuries, bodily harm, or injuries to health. As far as German laws define a longer statutory period of limitation in case of buildings or if items are used for a building, the statutory period of limitation shall apply.

12.10 The regulations of §§ 478, 479 of the German Civil Code shall remain unaffected.

12.11 In the event that we conclude a contract with the Contractual Partner on the purchase of a second-hand item, our liability because of defects in quality shall be excluded unless we are liable for compulsory reasons or unless otherwise agreed.

**§ 13**

**Liability for Legal Imperfections in Title**

13.1 In the event that we are liable for legal imperfections in title concerning the delivered goods, there will be – in lieu of any subsequent delivery or replacement or any subsequent improvement or rectification – the subsequent fulfillment in the form of a purchase of the respective rights by us, the conclusion of a license agreement with the holder of the rights, or a change in the delivery item, which is acceptable to the Contractual Partner and excludes such a breach of law. We shall be entitled to select, at our discretion, among these types of subsequent fulfillment.

13.2 In the absence of a separate agreement, the legal situation in the Federal Republic of Germany shall be decisive for the existence of a legal imperfection in title.

13.3 In other respects, the regulations applicable to defects in quality, which are included in § 12 of these Terms and Conditions, shall apply mutatis mutandis.

**§ 14**

**Limitation of Damage Claims**

14.1 We shall be liable for intentional and grossly negligent conduct of our bodies, employees, and vicarious agents as well as – irrespective of the level & degree of such fault – for damages resulting from fatal injuries, bodily harm, or injuries to health.

14.2 In addition, we shall be liable for ordinary negligence of our bodies, employees, and vicarious agents in case of impossibility, delay in performance, non-compliance with a guarantee, or the infringement of another essential contractual obligation. Essential contractual obligations are such obligations, whose compliance enables the proper implementation of the contract at all and whose observance can be regularly relied on by the Contractual Partner. In these cases, our liability shall be limited to such typical contractual damages, which we had to expect, on a reasonable basis, when the contract was concluded.

14.3 Any liability by us (for any legal ground whatsoever), which exceeds the liability according to § 14.2 and § 14.2 of these Terms and Conditions, shall be excluded. This applies, in particular, to any claims because of an infringement of contractual duties and to claims resulting from tortuous acts and offenses.

14.4 All limitations of liability in accordance with § 14.1 – § 14.4 of these Terms and Conditions shall also apply in favor of our bodies, employees, and vicarious agents.

14.5 Over and beyond, and independently of, the regulations included in § 14.1 – § 14.4 of these Terms and Conditions, any claims for damages against us, as far as they do not comprise intentional or grossly negligent breaches of duty, shall be limited to a maximum amount of EUR 100,000.00 or to the amount of the order, whichever amount order is higher.

14.6 Any claims according to the German Product Liability Act shall remain unaffected.

14.7 In the event that the Contractual Partner wants to assert any claims because of the unusable condition of an item, it shall enable us – as far as this possible in accordance with the circumstances – to provide replacement for the unusable item during the relevant period of time.

If the Contractual Partner fails to do this, although the delivery of a replacement item would have been possible for us considering the circumstances, we shall owe possible damages because of the costs required for a different procurement of a delivery item only to the amount of such costs, which had arisen for us by procuring, ourselves, a delivery item.

14.8 We shall not be liable for any accidentally occurring damages (and, in particular, for damages occurring within the framework of trial operations or test runs) in the items belonging to the Contractual Partner or delivered by us to the Contractual Partner.

**§ 15**

**Reservation of Title and Ownership**

15.1 We reserve title and ownership with respect to any item delivered within the framework of a contract of purchase until all claims resulting from the business relationship with the Contractual Partner are met and, in particular, any possible current account balance has been paid (overall reservation of title).

In case of a conduct of the Contractual Partner, which is in breach of contract, and, in particular, in case of a default in payment, we shall be entitled to cancel the contract after a reasonable period of grace lapsed without any result and to take back or seize any items delivered by us.

After taking back one or several delivery items, we shall be authorized to exploit them; the proceeds of the exploitation shall be set off against the outstanding liabilities of the Contractual Partner, i.e. less reasonable costs of exploitation.

15.2 The Contractual Partner shall be obligated to keep the delivery item(s) in safe custody, for us, and to treat them carefully. As far as any maintenance and inspection activities are required, the Contractual Partner must perform them in good time and at its expenses.

15.3 In the event of any levies of execution or other interventions of third parties, the Contractual Partner shall promptly notify us in writing to enable us to commence an action in accordance with § 771 of the German Code of Civil Procedure.

If such third party is not able to reimburse us the judicial and / or extrajudicial costs of an action in accordance with § 771 of the German Code of Civil Procedure, the Contractual Partner shall be liable for the resulting deficiency.

15.4 The Contractual Partner shall be entitled to resell the delivery item(s) in the ordinary course of business; however, it shall not be entitled to pass title of them or to pawn them in order to provide security. The Contractual Partner assigns to us, already now, all claims – to the amount of the final sum of the invoice (including value-added tax) of our claims – which arise for the Contractual Partner vis-à-vis its customers or other third parties through the resale.

The assignment serves – to the same extent – in order to secure our claims and as reservation of title and ownership in accordance with § 15.1 of these Terms and Conditions.

The Contractual Partner shall remain authorized to collect such claims even after their assignment. However, we shall be entitled to collect such claims by ourselves:

if the Contractual Partner does not meet its financial obligations,

if it defaults in payment,

if an application for the commencement of bankruptcy proceedings is filed, or

if the Contractual Partner discontinues its payments.

In such cases, we may revoke the authorization to collect. In addition, we can demand that the Contractual Partner will promptly disclose, to us, the assigned claims and their debtors, sends us a written declaration of assignment, and provides, to us, all information and documents required for the collection of such claims.

15.5 In the event that a delivery item is inseparably mixed or blended with other items not belonging to us, we shall acquire co-ownership in accordance with the ratio of the value of the items belonging to us (final sum of the invoice including value-added tax) to the value of all mixed or blended items.

If the mixture or blend takes place in such a manner that the item of the Contractual Partner shall be considered to be the main item, it is agreed that the Contractual Partner transfers to us co-ownership on a pro-rata basis. The Contractual Partner shall keep, in safe custody, the items solely and independently or partly owned by us.

15.6 The Contractual Partner shall also assign, to us, all claims – resulting from the connection of the delivery item(s) with real property – against its purchasers or third parties in order to secure our outstanding claims. § 15.4 of this contract shall apply mutatis mutandis.

15.7 We undertake that we will release any securities, which are due to us, at the request of the Contractual Partner as far as the realizable value of our securities exceeds the claims to be secured by more than 10%. The selection of the securities to be released shall be at our discretion.

**§ 16**

**Right of Lien of the Contractor**

16.1 With respect to our claims resulting from a contract for services within the meaning of § 631 of the German Civil Code, which do not comprise the delivery of movable property to be manufactured or to be produced, we shall be entitled to a right of retention as well as a contractual right of lien to the goods passed into our possession because of an order.

The right of retention and the contractual right of lien can also be asserted because of claims resulting from orders performed at earlier dates, customer services performed, or any other claims arising from the business relationship as far as these are not already secured through a reservation of title and ownership within the meaning of § 15 of these Terms and Conditions.

A right of retention and a contractual right of lien shall be agreed also in the case that an item, which already passed into our possession on account of an order, is delivered to us, again, at a later date and, at that time, claims exist based on the business relationship and these claims are secured by the right of lien of the contractor.

16.2 In lieu of the period of one (1) month determined by § 1234 of the German Civil Code, a period of two (2) weeks shall apply to all cases.

16.3 In the event that the Contractual Partner is in default, we can exploit the items – following a warning of sale – also through a private sale. The proceeds of the exploitation shall be set off against the outstanding liabilities of the Contractual Partner, i.e. less reasonable costs of exploitation.

16.4 In the event that we cannot store such items of the Contractual Partner where we are entitled to a right of lien, we shall be entitled to store them at another site and to claim, from the Contractual Partner, compensation for reasonable costs of storage.

**§ 17**

**Final Provisions**

17.1 All legal relationships arising in connection with the conclusion, implementation, or termination of this contract shall be subject to the substantive law of the Federal Republic of Germany by excluding the UN Convention on Contracts for the International Sale of Goods (CISG).

17.2 Place of performance shall be Osnabrück, Germany.

17.3 Exclusive place of jurisdiction shall be Osnabrück, Germany, for all legal disputes. However, we shall be entitled to make claims on the Contractual Partner, at our discretion, also at any other legally established place of jurisdiction.

17.4 Section 15, sub-sections no. 1 and 3 of these Terms and Conditions shall only apply to merchants, legal entities under public law and special funds under public law.