



General Terms and Conditions

Conditions of sale, terms of delivery and terms of payment of SH-Anbaugeräte GmbH

As at 1 July 2012

I. Relevant conditions, conclusion of contract

1.

The following conditions apply only to orders from and deliveries to "entrepreneurs" within the meaning of Sec. 14 BGB (German Civil Code) and not to a "consumer" within the meaning of Sec 13 BGB.

2.

The following conditions apply exclusively to all orders. Any conflicting conditions of purchase are not legally valid, even if we have not explicitly expressed such. By placing the order and / or accepting the delivery, the customer accepts our terms and conditions.

3.

We shall be bound to fulfill the order upon providing written confirmation or commencing execution of the order.

II. Offer, cost estimate, prices, reservation of right to change prices

1.

Our offers, in addition to the prices and delivery options listed in our catalogues, printed materials, letters etc., are subject to change; quotations are non-binding.

2.

Our prices are stated in EUR and shall apply "ex works" plus the applicable rate of VAT, not including packaging, freight, customs duties and insurance, which will be calculated separately where applicable.

3.

With respect to all orders, including orders for delivery on demand and contracts for multiple deliveries, which are delivered more than four months following placement of the order, whether in accordance with the contract or at the customer's request, we are entitled to pass any increases in the costs of materials or wages on to the customer in order to offset these increases in costs between the time at which the contract was concluded and the time of delivery.

4.

If the statutory rate of value added tax changes as the result of a legislative amendment entering into force between the time at which the delivery contract is concluded and the time at which it is executed, we are entitled to charge the new rate of value added tax, including for partial deliveries. This also applies to the determination of remuneration rates for export premiums or the payment of exporters.

III. Shipping, packaging, costs, transfer of risk

1.

Deliveries shall be shipped at the customer's expense and risk. We do not accept any liability for damages or losses suffered during transport. This also applies to carriage paid deliveries. Unless otherwise agreed, we shall choose the type of packaging and the shipping method.

2.

If the shipment is delayed due to circumstances for which we are not responsible, risk passes to the customer on the day on which the shipment is reported as ready for dispatch.

IV. Terms of payment and consequences of non-compliance, offsetting

1.

All payments due to us are payable, free of postage charges and other expenses, within 30 days following receipt of our invoice or equivalent request for payment, at latest however, 30 days following the due date for and receipt of the goods or services. (Or: All payments due to us are payable following receipt of our invoice or equivalent request for payment, subject to a 2 % discount if paid within 14 days or with no discount if paid within 30 days, and at latest 30 days following the due date for and receipt of the goods.) After which we calculate annual interest at 8 percentage points above the respective basic interest rate, with no obligation to issue further notice.

2.

If payments are made by bill of exchange or cheque, payment is considered to have been made only after such has been cashed. Any discounting costs or other expenses shall be borne by the customer.

3.

We accept bills of exchange and cheques only as conditional payment, and cheques only following special agreement. If the customer fails to respect the terms of payment or circumstances come to light which give rise to doubts regarding their creditworthiness, any payments due to us shall become due with immediate effect, irrespective of the term of any accepted bill of exchange or granted payment extensions. In such a case, we are also entitled to demand advance payment or security for deliveries or to withdraw from the contract following a reasonable period of notice and/or claim for damages.

4.

The customer can only offset against our claims for payment with undisputed or legally established counterclaims.

V. Delivery deadlines and liability clause, force majeure, partial deliveries, deterioration of financial situation

1.

The delivery period begins when all details regarding execution, particularly technical matters, have been clarified, both parties are in agreement regarding all terms and conditions of the transaction and the customer has made any agreed advance payment. The delivery period is considered to have been duly observed if the delivery item has left the factory or the customer has been notified of its readiness for dispatch prior to the expiry of the delivery deadline.

2.

If delivery is not made on-schedule due to circumstances for which we are responsible and also fails to take place within a further grace period granted by the customer, the customer is entitled to cancel the order in question.

3.

If the order cannot be executed by the agreed deadline due to an event of force majeure or circumstances for which we are not responsible (e.g. disruptions to operations, strikes), we are entitled to postpone fulfillment of our undertaken commitments for an appropriate period of time or, if such circumstances have rendered it impossible for us to honour these commitments, to withdraw from the contract, either in part or in full. The same applies if, for reasons for which we are not responsible, we are unable to obtain the materials which we have ordered and require in order to fulfill the order from our suppliers or do not receive the materials in time. In the event of such a withdrawal, we are obligated to immediately inform the customer of any instance of non-availability and immediately refund any amounts already paid by the customer. In such cases, claims for damages of any kind are excluded.

4.

Partial deliveries are permissible.

5.

If a significant deterioration in the customer's financial situation should occur or only become known following conclusion of the contract, we have the right to refuse performance and demand adequate security from the customer in order to remove any risk to the purpose of the contract. If the customer fails to comply with the request for the provision of security within a reasonable period, we are entitled to withdraw from the contract and/or claim damages.

VI. Complaints, defect claims, liability clause

1.

Irrespective of any additional obligations to inspect goods and provide notification of defects which apply to a bilateral trade transaction (Sec. 377 HGB (German Commercial Code)), the customer must inspect the delivered goods for obvious (visible) defects and notify us, either in writing or in text form, of any complaints made on the basis of such visible defects within five working days following receipt of the goods or, in the case of defects which only become apparent at a later date, within five working days of the customer having become aware of the defects; otherwise the goods shall be regarded as accepted even in view of the defect and the customer shall be unable to exercise any further rights against us in this respect. The same also applies to incomplete or incorrect deliveries.

If complaints are justified, we are obligated to repair the delivered goods free of charge or, at our discretion, supply a replacement. If the goods are not repaired or a replacement is not delivered despite two attempts, or we refuse to carry out these measures without just cause or cause delays to the extent that it is deemed unacceptable, the customer is entitled to demand a reduction of the purchase price or, where the

liability for defects does not relate to construction work, to cancel the contract if he so chooses.

2.

In cases of claims for damages, subject to the provision of clause VII (other liability), the following applies: In the event of a breach of principle contractual obligations, including ordinary negligence, we are liable for damages in lieu of performance, however, any claims are limited to fifty percent of the value of the defective object, unless we have fraudulently concealed the defect or if we have provided a guarantee for the quality of the object.

3.

Claims for defects are excluded if the defect can be attributed to failure by the customer to adhere to operating, maintenance or installation instructions, or to incorrect or improper use, or incorrect or negligent treatment by the customer, natural wear, or interference with the delivery item by the customer or third parties.

VII. Other liability (limitation and exclusion)

1.

Except for the default and defect claims outlined above, we accept no liability unless the damages have been caused by a grossly negligent breach of duty on our part or by an intentional or grossly negligent breach of duty on the part of our legal representatives or vicarious agents, or unless it relates to damages arising from injury to life, limb or health, which have been caused by a grossly negligent breach of duty on our part or by an intentional or grossly negligent breach of duty on the part of our legal representatives or vicarious agents, or involves damages such as those usually

and typically insurable under a liability insurance policy on acceptable terms to be taken out by us. This applies in particular to claims for damages arising from culpa in contrahendo prior to or at the time the contract is concluded, breach of secondary obligations and claims arising in connection with tort.

2.

Claims under the Product Liability Law (ProdHaftG) and those arising from a warranty remain unaffected.

VIII. Industrial property rights, tools, models and drawings

1.

If deliveries are made on the basis of drawings or other information provided by the customer, the customer is responsible for ensuring that these are correct and that no third-party industrial property rights are infringed.

2.

We may invoice in full or on a proportional basis for any tools, moulds, models and equipment required in order to produce the ordered goods. It is agreed that if such items are paid for in full by the customer, they shall become the customer's property as soon as the agreed remuneration has been paid in full by the customer. If the customer has paid a deposit, these items shall be co-owned by the customer in the proportion of the amount of the agreed remuneration relative to the amount of the deposit. We shall store these items for the customer free of charge. We shall only be obligated to hand them over after the order has been executed in full.

IX. Retention of title

1.

We shall retain ownership of the delivery item (reserved goods) until all claims for payment made by us in the course of the business relationship, including the claims arising in future from contracts concluded simultaneously or at a later date, are settled by the customer. In the case of running accounts, the retained ownership and all rights shall be deemed security for our outstanding balance claim plus interest and costs. The customer must notify us immediately in the event of seizures or other interventions by third parties.

2.

The customer is entitled to process or resell the delivery item in the ordinary course of business. This entitlement ends if the customer falls into arrears, if they suspend payment or if a request to open insolvency proceedings over the customer's assets is filed. The customer is only permitted to resell the reserved item under reservation of title and must ensure that the claims generated by resale activities according to 5. and 6. are transferred to us. Use of the reserved goods to fulfill work contracts and contracts for work and materials is also regarded as resale. The customer is not entitled to dispose of the reserved goods in any other way, especially pledging or assigning as security.

Assignment of claims arising from the transfer of our reserved goods is not permitted unless the assignment forms part of a genuine factoring arrangement, of which we have been notified and from which the proceeds exceed the value of our secured claim. Our claim shall become due as soon as the factoring proceeds are credited.

3.

The customer does not acquire ownership of new items according to Sec. 950 BGB by finishing or processing the reserved goods. This processing or transformation shall be carried out on our behalf without subjecting us to any obligation. The processed or transformed goods are regarded as reserved goods.

4.

If the reserved goods are processed, combined or mixed with other goods, we shall co-own the new items in the proportion of the invoice value of the reserved goods relative to the invoice value of the other goods which were used. In the event that our right of ownership expires because the goods delivered have been amalgamated, mixed or processed, the customer hereby agrees to transfer to us his/her rights of ownership or rights conferring prospective entitlement for the new product or item in proportion to the invoice value of the reserved goods, and in the case of processing, in the proportion of the invoice value of the reserved goods relative to the invoice value of the other goods used, and to keep said goods safe for us free of charge. Our co-ownership rights shall be considered reserved goods.

5.

The customer's claims arising from resale of the reserved goods are hereby assigned to us. They shall serve as security to the same extent as the reserved goods themselves.

6.

If the reserved goods are resold by the customer together with other goods, the claim arising from the resale shall be assigned to us in the proportion of the invoice value of the reserved goods relative to the invoice value of the other goods. In the event of the resale of goods in which we hold a co-ownership share according to 4., we shall be assigned a share of the claim proportionate to the value of our co-ownership share.

7.

If requested to do so, the customer is obligated to provide us with a detailed list of the claims due to him, indicating the names and addresses of the buyers, notify his buyers of the assignment and disclose to us all information required in order to assert the assigned claims. The customer authorizes us to notify the buyers of the assignment and to collect the claims ourselves should he default on a payment or if a deterioration in his financial circumstances should occur. We are entitled to request verification of the existence of the assigned claims, to be carried out by our representatives on the basis of the customer's accounting records. The customer must provide us with a list of the remaining reserved goods.

8.

If the value of the existing securities exceeds the secured claims by more than 15 %, we shall be obligated, at the customer's request, to release securities of our choosing to this extent, taking into consideration the customer's interests. In the event of simple and secondary retention of title, the value of the securities is deemed to be the invoice value for which the buyer purchases the goods from us, and in the event of an extended reservation of title, the invoice value at which the customer resells our goods.

9.

If payments are made by bill of exchange, cheque etc., payment is considered to have been made only after it has been securely honoured by the customer. We accept cheques only as conditional payment. Payments made against transfer of a bill of exchange issued by us are deemed to have been made only if any chance of recourse against us for the cheque and / or bill of exchange has been excluded. Without prejudice to any further security rights we may have, the securities granted to us shall remain in our possession until this time.

10.

On the basis of retention of title, we may demand surrender of the delivery item if we withdraw from the contract. We are entitled to withdraw, regardless of the other conditions of Sec.

323 BGB, in particular without observation of a notice period, from the time at which the customer defaults on payment, whether in part or in full. The same applies if the customer suspends payments or if a request to open insolvency proceedings over the customer's assets is filed. All costs arising in connection with repossession of the delivery item shall be borne by the customer. We are entitled to freely dispose of the reclaimed delivery item.

X. Place of fulfillment, place of jurisdiction, applicable law

1.

The place of fulfillment is the location of our company's head office.

2.

The place of jurisdiction with respect to contracts with merchants and legal entities under public law, or public-law special funds, shall be the competent court for our head office.

3.

German law shall apply to all deliveries and services with the exception of the United Nations Convention on Contracts for the International Sale of Goods. The language of contract is German. If another language is used by the contracting parties, the German wording shall have priority.

XI. Severability clause

Should any provisions of these conditions and/or other agreements be or become invalid, the validity of the rest of the contract will not be affected. The contracting parties are obligated to replace the invalid condition with another provision, the economic effect of which comes as close as possible to that of the original.

SH-Anbaugeräte GmbH

Steinwiese 1
59872 Meschede

Postfach 1623
59856 Meschede

Tel.: +49 291 / 90 87 00 - 0
Fax: +49 291 / 90 87 00 - 10