

GENERAL TERMS AND CONDITIONS (as of 7th of February 2013)

Introduction

The following provisions shall apply exclusively to all our business relationships with customers, provided they are businesspersons within the meaning of Section 14 German Civil Code (BGB), legal entities under public law or public law special funds.

1) Application

Any and all offers, acknowledgements of orders, agreements, supplies and services to businesses, legal entities under public law and public law special funds (hereinafter also referred to as "Customers") shall be based exclusively on these General Terms and Conditions for use with businesses. They are part of any and all contracts that we enter into with the Customers of the goods or services offered by us. By placing an order, the Customer expressly acknowledges these General Terms and Conditions. They shall also apply to any and all future deliveries, services or offers to the Customer, even if they are not specifically agreed again. Deviating terms and conditions of the Customer or of third parties, even if they are attached to enquiries or orders received by us shall not apply. This shall apply even if we do not expressly contradict such terms.

The legal relations between us and the Customer shall exclusively be governed by the purchase agreement entered into, including these General Terms and Conditions. Verbal agreements are not binding unless it arises expressly from them that they should apply in a binding manner. Amendments of and supplements to the agreements, including these General Terms and Conditions must be in writing to be effective.

2) Offer and Contract

All our offers are not binding and without obligation, unless they are expressly identified as binding or include a certain acceptance period.

With his order, the buyer makes a binding offer to purchase the respective product. The buyer shall be bound, for 14 calendar days after sending, to an order that he signed and which we have not accepted yet. We shall be entitled to accept the offer within such period. Compliance with the deadline shall be governed by the date on which the buyer receives our acceptance. The dispatch of ordered goods shall also be deemed as acceptance.

Our information on the subject of the delivery or service (such as weight, dimensions, capacity and technical data) shall not be guaranteed characteristics, but descriptions or identifications of goods or services. Deviations customary in the trade and deviations based on statutory provisions or constituting technical improvements as well as the replacement of components by equivalent parts shall be permissible unless they negatively impact the usability for the contractually designated purpose. Our acknowledgement of a buyer's order lists all authoritative data for the scope of delivery.

Agreements with our agents are only binding after they have been confirmed by us in writing.

3) Delivery and Delivery Times

Deliveries are made ex works Meiningen, Germany or the respective sales branch.

Delivery times and dates for deliveries and services indicated by us shall in all cases only be approximate and not binding, unless a fixed period or a fixed date has been expressly agreed. If shipment is agreed, the delivery times and dates shall apply to the time of handover to the shipper, carrier or third party otherwise authorized to carry out the transport. The delivery shall be deemed completed with such handover to the carrier (UPS, DHL, postal services, railway services etc.) at the latest.

We shall owe only the timely, proper delivery of the goods to the shipping company and shall not be responsible for any delays caused by the shipping company. Where our brochures, advertisements or other information indicate a shipping time, such shall thus not be binding.

If the goods cannot be delivered or cannot be delivered in due time for a reason for which we are liable, the buyer may rescind from the agreement after having set us an additional delivery period of 3 weeks and if this period has passed without delivery by us.

If parts of the goods are not available from our suppliers in the foreseeable future, we shall be entitled to cancel the contract. In the event of a cancellation, we shall refund the Customer's payments made to us without delay. The Customer's statutory rights for default of delivery shall not be affected by the aforementioned provision, where the Customer may demand compensation only in accordance with the special provision of these General Terms and Conditions.

We may – without prejudice to our rights arising from the Customer's default – request from the Customer an extension of supply and service times or a postponement of supply and service dates by such period by which the Customer fails to fulfill his contractual obligations to us.

We shall not be responsible for inability to deliver or for delays in delivery if caused by force majeure or other events unforeseeable at the time of entering into the contract (such as business disruptions of any kind, incorrect or delayed delivery by our suppliers, shipping delays, strikes), for which we are not responsible. If such events significantly complicate the delivery or service or render it impossible and the impediment is not only of a temporary nature, we shall be entitled to rescind from the contract. In the event of impediments of a temporary nature, the delivery or service periods shall be extended or the delivery or service dates shall be postponed by the period of impediment in addition to a reasonable start-up period. If the Customer cannot be expected to accept the delivery or service due to the delay, he may rescind from the contract by immediate declaration to us in writing.

PiMON GmbH shall be permitted to make partial deliveries as can be reasonably expected to be accepted by the Customer. This shall not apply, however, if such partial delivery cannot be used by the Customer under the purpose of the contract, if the delivery of the remaining ordered goods is not guaranteed or the Customer thereby incurs significant additional expenses or additional costs (unless we accepted to bear such costs). Each partial delivery shall entitle us to invoice the relevant pro-rated purchase price.

4) Shipping, Packing, Transfer of Risk

The shipping of purchased goods is at buyer's risk and cost. The shipping mode and type of packaging shall be subject to our reasonable discretion. Shipments by rail, express shipments or express parcel shipments shall only be made at the recipient's express request.

The risk shall pass to the Customer upon handover of the goods to the shipper, carrier or other third party designated to handle the shipment to the Customer. This shall also apply in the event of partial deliveries. If shipment or handover of the goods is delayed due to circumstances for which the Customer is responsible, risk shall pass to the Customer from such day at which the delivery item is ready for shipment and we have notified the Customer thereof.

Storage costs after the transfer of risk shall be borne by the Customer. If we must store any delivery items, we shall invoice a flat rate for storage cost of 0.25% of the invoiced amount of the delivery items to be stored per calendar week of storage. The assertion and proof of additional or lower storage costs shall remain reserved.

We shall insure the shipment only at the express request of the Customer and at his own expense against theft, breakage, transport, fire, and water damage or other insurable risks.

5) Prices and Payments

All prices are to be understood in Euro ex works Meiningen, Germany, or any other of our sales branches. Basis for the prices is PiMON GmbH's price list applicable at the date of the Customer's binding offer for purchase.

The prices do neither include freight costs nor statutory value-added tax. For export shipments, customs fees, charges or other public fees shall be invoiced separately. Also the prices of spare parts are always to be understood excluding freight costs and statutory value-added tax. Partial shipments are allowed, even if it does not say so in the acknowledgement of the Customer's order.

Our invoices are payable without deduction within the dates provided in PiMON GmbH's written confirmation of the Customer's binding purchase order. Payments must be made to the accounts specified by us. Checks shall only be deemed payment after cashing. The date of payment shall be governed by the date of crediting of the amount to one of our accounts. If payment terms are exceeded, we shall be entitled to charge an interest rate of 8% above the then applicable basic rate of interest according to Section 247 German Civil Code (BGB) per annum. Our right to assert higher interest rates and further damage in the event of default of payment shall remain unaffected. Our claim to commercial interest due in accordance with Section 353 German Commercial Code (HGB) shall remain unaffected.

Netting shall be permitted against our claims only with undisputed or legally established counterclaims. Agreed discounts, if any, may only be deducted if there is no other outstanding balance. We shall be entitled, moreover, notwithstanding any other provisions of the Customer, to credit the Customer's payments first to cost and interest and then to his older debts.

We shall be entitled to carry out any outstanding deliveries or perform outstanding services only against payment in advance or against provision of a collateral if, subsequent to entering into the contract, we become aware of circumstances, which are capable of significantly reducing Customer's creditworthiness and by which the payment of our outstanding receivables by the Customer under the respective contractual relationship is jeopardized. If, after entering into the contract, we become aware of any such circumstances by which our claim to the purchase price is jeopardized (such as the Customer's application to initiate bankruptcy proceedings), we shall moreover be entitled to withhold performance and, where applicable, under setting a deadline, to rescind the contract in accordance with statutory provisions. In case of dstraint of goods, the buyer must inform us immediately and pay all charges incurred by the measures for cancellation of the dstraint.

6) Reservation of Title

The delivered goods shall remain our property (goods under reservation of title) until full payment of any and all claims arising from the business relationship with the Customer.

The goods under reservation of title must be stored carefully. Prior to payment in full of the secured receivables, such goods may neither be pledged to any third parties nor may they be assigned as collateral. We have to be notified immediately of any seizure or other sanction against the goods under our reservation of title by any third party and have to be provided immediately with a copy of the bailiff's return (*Pfändungsprotokoll*). In addition, the Customer shall immediately notify any third party accessing the goods under our reservation of title of our title to the goods. Prior to settlement of all our claims arising from the business relationship with the Customer, the goods under reservation of title may be resold only in the normal course of business.

As a precautionary measure, the Customer hereby assigns to us any and all claims against third parties arising from a resale of the goods under reservation of title. The same shall apply to other claims that take the place of the goods under reservation of title or that are otherwise arising with regard to the goods under reservation of title, such as insurance claims or tort claims for loss or destruction. We revocably authorize the Customer to collect the receivables assigned to us in his own name for our account. We shall revoke this collection authorization only in the case of exploitation. In the event that the Customer resells the goods himself under reservation of title, the claims due to the Customer for recovery of property shall hereby also be assigned to us. We hereby accept any and all of the aforementioned assignments. If we revoke the collection authorization, we may request the buyer to notify us of the assigned receivables and their debtors, to provide any and all information required for collection, to submit any and all associated documentation and to notify his debtors (third parties) of the assignment.

If the realizable value of the securities exceeds our receivables by more than 10%, we shall release collateral of our choice upon the buyer's request.

A rescission of the contract shall not be required to assert the title.

7) Warranty

The warranty period is one year from delivery.

The delivered goods are to be carefully inspected immediately upon delivery to the Customer. It shall be deemed accepted unless we have received a notification of defects in writing with regard to obvious defects or other defects, which were or would have been visible upon a prompt, thorough inspection without delay, however, not later than seven business days after delivery of the goods, or otherwise within seven business days after discovery of the defect. Such notification may only relate to the defective items of a shipment of goods.

Returns are accepted only by prior written agreement. In such event, we will reimburse the Customer for the cost of the most cost-efficient shipping manner, if the complaint was justified. This shall not apply if costs increase because the goods are located in a different place than the place of intended use.

In the event of defects of the delivered goods, we shall initially be obligated and entitled to repair or replace at our choice to be made within a reasonable period. In the event of failure, meaning the impossibility, unreasonableness, refusal or unreasonable delay of the repair or replacement, the Customer may rescind the contract or reduce the purchase price accordingly.

Replaced goods shall become our property. We are neither responsible to uninstall defective goods or to reinstall repaired or replaced goods nor for the expenses thereof.

The expenses necessary for the purpose of testing and supplementary performance, in particular transport, travel, labor, and material costs shall be borne by us if there is an actual defect. Where, however, a Customer's request for removal of defects turns out to be unjustified, we may request reimbursement of the arising expenses from the Customer.

Any manufacturer's warranty that we may have assumed shall remain unaffected.

We make no warranties with respect to experimental goods or prototypes of goods which have been subject to misuse, neglect, accident or abuse or have been improperly installed, stored, maintained, repaired or altered by anyone other than us, or had their serial numbers or month and year of manufacture or shipment removed, defaced or altered.

8) Right of Rescission

In the event of unforeseen events that change the economic importance or the contents of our obligation to deliver significantly, we reserve the right to withdraw from the contract in full or in part. Likewise, we shall be entitled to withdraw from the contract in full or in part if in the case of Article 5 (5) of these General Terms and Conditions, the collateral is not provided within a reasonable time. Any claims by the Customer for compensation because of the right of rescission shall remain excluded. Otherwise, the statutory provision shall apply.

9) Liability

Unless these General Terms and Conditions, including the provisions herein below, provide otherwise, we shall be liable for any breach of contractual or non-contractual obligations under the relevant statutory provisions. We shall be liable for compensation of damages irrespective of legal grounds for intent and gross negligence. In case of simple negligence, we shall only be liable

- for damage arising from injury to life, limb or health,
- for damage arising from breach of any material contractual obligation (cardinal obligation). In such event, our liability shall be limited to the replacement of the foreseeable, typically occurring damage,
- for a defect fraudulent concealed by us,
- where we have assumed a guarantee for the properties and conditions of the goods.

Indirect or consequential damage arising from defects of goods delivered or services rendered shall only be eligible for compensation if such damage can typically be expected with the intended use of the delivered items.

The provisions of the German Product Liability Act shall remain unaffected.

To the extent of the exclusion or limitation of our liability according to these General Terms and Conditions, including the provisions herein above, the personal liability of our employees, staff members, freelancers, representatives, agents and persons employed to assist in performance is excluded respectively limited as well.

10) Damage in Transit

We shall assume no liability for transport damage of any kind whatsoever.

The Customer must have such damage determined and certified by the carrier prior to acceptance of the goods. He must immediately assert such damage to the shipper. The Customer has to notify the respective shipper of any transport damage that is not externally visible within 7 days from receipt of the shipment. The shipment must then remain available for an on-site review. The goods contained in the shipment may not be used.

The foregoing provisions shall apply mutatis mutandis to shipments by mail and in the event of total loss of a shipment.

11) Assignability

We shall be entitled to assign claims from our business relationship with the respective Customer to a third party.

12) Period of Limitation

Notwithstanding Section 438 (1) no. 3 German Civil Code (BGB), the general limitation period for claims arising from defects of quality and defects of title shall be one year from delivery. If Customer's acceptance of the good is agreed, the statute of limitations shall commence upon such acceptance.

The foregoing limitation periods of sales law shall also apply to contractual and extra-contractual claims for compensation of damages by the Customer, which are based on a defect in the goods, unless the application of the regular statute of limitations (Sections 195, 199 German Civil Code (BGB)) would in an individual case lead to a shorter limitation period. The limitation periods of the German Product Liability Act shall remain unaffected in any event. Special statutory provisions for in rem restitution claims by third parties (Section 438 (1) no. 1 German Civil Code (BGB)), in the event of fraudulent intent by the seller (Section 438 (3) German Civil Code (BGB)) and claims for supplier redress for final delivery to a consumer (Section 479 German Civil Code (BGB)) shall also remain unaffected. Otherwise, exclusively the statute of limitations shall apply to claims for compensation of damages by the Customer.

13) Observance of export restrictions

The Customer acknowledges that the goods sold by us and the technical information transmitted in connection therewith may be subject to export restrictions of Germany or the European Community under applicable law and agrees to comply fully with such provisions.

The Customer will neither transmit, sell, transfer or convey any such products, technical information or software to any country, citizen or resident of a country under export restrictions, nor to a third party that is assumed to resell to such countries, citizen or residents under export restrictions without prior written consent, if required, of the German Federal Office of Economics and Export Control (*Bundesamt für Wirtschaft und Ausfuhrkontrolle*) or corresponding authorities within the European Community.

14) Choice of Law, Place of Performance, Legal Venue

All contracts between us and the Customers shall be governed by German substantive law excluding the UN Convention on Contracts for the International Sale of Goods (CISG) or any other reference provisions that would lead to the application of another jurisdiction.

Unless otherwise agreed, the place of performance shall be Munich.

Exclusive legal venue for any disputes arising from the business relationship between us and the Customer shall be Munich. The Local Court of Munich (Amtsgericht) shall have jurisdiction, irrespective of the value in dispute. In the event of a legal action against the Customer we shall also be entitled, at our discretion, to file complaints also before the courts, which are competent for the place of his registered office.

15) Final Provisions, Written Form, Data Protection

Should individual provisions of the purchase contract be or become invalid or unenforceable, the remaining provisions of our contract with the Customer shall remain unaffected. With the exception of ineffective clauses in these General Terms and Conditions, the invalid or unenforceable provision is to be replaced by a provision that in economic terms most closely resembles the purpose of the wholly or partially invalid or unenforceable provision. The same shall apply to gaps in the contract, including these General Terms and Conditions.

Insofar as these General Terms and Conditions provide for written form, the transmission by fax shall be sufficient. Otherwise, the transmission by means of telecommunications, especially e-mail, shall not be sufficient.

The Customer acknowledges that we store data from the contractual relationship pursuant to Section 28 German Federal Data Protection Act for the purposes of data processing. We reserve the right to transfer such data to third parties to the extent necessary to perform the contract (such as insurance companies).