

# **GENERAL TERMS AND CONDITIONS OF BUSINESS**

## **of RVT Process Equipment GmbH - hereinafter known as RVT**

### **1. General**

The party placing the order (Buyer) recognises the general terms and conditions of business below as being binding for the whole business relationship and recognises that they are the only terms of conditions to which the business relationship is subject. This shall only apply for legal relationships between RVT and non-traders to the extent that these general terms and conditions of business do not contradict the provisions of the (German) law regulating the right to stipulate general terms and conditions of business. They shall form the sole basis for all future transactions as well, and to be more precise, in their version which is valid at that time. In taking delivery of the goods the Buyer shall forego insisting that his own terms and conditions of purchase shall be applied. They shall not become part of the contract as a result of RVT remaining silent or delivering the goods. RVT will not have to object to any of the Buyer's terms and conditions of business which contradict RVT's own general terms and conditions of business to exclude the Buyer's terms and conditions from being applied. This contradiction shall be regarded as having been settled when the Buyer takes delivery of the goods. All other side agreements worded differently or agreements to the contrary shall require the written confirmation of RVT to be valid.

If deliveries are made without an order confirmation, the invoice or delivery note shall consequently be regarded as the order confirmation based on the general terms and conditions of business of RVT contained therein.

### **2. Prices**

The prices valid on the day on which the goods are delivered shall be regarded as being agreed, unless a separate agreement on setting prices has been made in writing.

### **3. Terms and conditions of payment**

The invoices from RVT shall be payable net without any deductions to one of RVT's bank accounts quoted on the invoice. Any other agreements in writing to the contrary shall remain unaffected.

In the event that payments are not paid on time, interest of 2% above the interest rate normally earned in the market or locally on statutory savings deposits shall be owed on outstanding payments from the date on which they are payable onwards. RVT reserves the right to make a claim for additional compensation. All payments received by RVT shall be offset against the oldest debt, even if the payment is rendered for a specific invoice. A discount for rapid repayment will not be granted if, at the point in time at which it is paid, another invoice presented by RVT is still outstanding. RVT shall reserve the right to demand payment in advance or that a security is furnished or to withdraw from the contract if circumstances become known as a result of which the accounts receivable appear to be jeopardised. Inter alia, unfavourable information about the buyer from banks or credit reference agencies, knowledge of bills of exchange which have been protested or cheques having been returned or similar instances shall be regarded as such circumstances. In the event that the Buyer stops making payments, his bills of exchange are protested or his cheques are returned or enforcement measures do not produce any results, agreements made with the buyer on sales commission, discounts, reductions, periods of time allowed for payment and similar other forms of remuneration, shall not be applicable for the past 12 months, calculated (retrospectively) from the date on which this event occurs. The Buyer may not offset an account receivable payable to him against one he owes to RVT, nor may he exercise the right of retention against such an account, unless this counter claim is accepted by RVT or has been declared to be final and absolute in court.

### **4. Offer and delivery date**

All offers made by RVT shall be subject to change without notice and subject to prior sale. They shall only be valid for the stated country of destination.

There is no guarantee that specific delivery dates will be adhered to. If delivery dates or one delivery date is agreed in writing, the dates stated shall consequently be regarded as an approximate date. RVT shall endeavour to adhere to such dates. The Buyer shall not be entitled to assert a claim for compensation or to cancel the order because a consignment is delivered late unless Rauschert is guilty of gross negligence. Partial deliveries may be made.

If force majeure, strike or lock-out, traffic disruption ns, shortages of materials, plant breakdowns, or unforeseen similar influences, regardless of whether they occur in RVT's own factory or in the factory of RVT's sub-suppliers, interrupt RVT's delivery obligations, they shall entitle RVT to withdraw from the contract either completely or in part. The Buyer shall be entitled to the same right if instances of force majeure occurs for him. If the disruption is temporary, RVT shall consequently be entitled to postpone or reduce the delivery to the extent that his ability to deliver is affected by such events.

In the event that the Buyer does not pay the accounts receivable payable to RVT arising from the business relationship with him, RVT shall be entitled to refrain from delivering the agreed consignments to the Buyer, without having to pay compensation for any loss which may be sustained by the Buyer as a result.

RVT reserves the right to modify the technical specifications of the product - without having to notify the orderer separately - provided that the value of the product offered is not adversely affected as a result.

### **5. Dispatch and passing of risk**

All consignments including returns are at the risk of the Buyer. Provided that nothing is agreed to the contrary, entire appliances shall be delivered to the Buyer in packaging which is normal for the trade, free to the Buyer's chosen destination. If consignments are to be transported across the German border, delivery is to be either FOB German seaport / airport or carriage-paid free German border. If special packaging is required, the additional costs incurred will be invoiced to the Buyer. The method of dispatch shall be left to the discretion of RVT. If the Buyer specifies a particular method of dispatch, the additional costs incurred as a result shall be invoiced to him. The risk for delivery shall pass over to the recipient - irrespective of the special arrangement above - as soon as the goods leave RVT's factory or store. RVT shall not accept any liability for damage and losses in transit. This shall also apply for consignments sent carriage-paid. As supplier RVT shall be under no obligation to take out insurance cover for the consignments. Customer services shall be rendered ex works. If delivery is postponed at the Buyer's request, the risk shall pass over to the Buyer for the period of the delay from the day on which the goods are ready for delivery. The Buyer shall bear the risk of breakage, transit, theft and fire damage.

### **6. Retention of title**

The goods delivered and which may only be sold in proper commercial transactions for cash or subject to retention of title, and shall remain the property of RVT until all accounts receivable by RVT from the business relationship with the Buyer have been paid in full. This shall also include those accounts receivable which arise in the future and the settlement of any running account balances payable by the Buyer which may arise.

In the event that goods subject to retention of title are processed or combined with other products not belonging to RVT, within the meaning of § 947 and § 950 of the (German) Civil Code, Rauschert shall be entitled to co-ownership of the new goods. Its share shall amount to the purchase price it invoices to the Buyer including VAT. The Buyer shall keep the goods in safekeeping for RVT free of charge.

In the following, by "goods" shall also be understood as those goods and things to which RVT is entitled to co-ownership.

If the Buyer sells the goods delivered by RVT, the Buyer shall consequently hereby assign right now until all the accounts payable to RVT from the business relationship with him have been paid up in full, all the accounts receivable to which he (the Buyer) is entitled against his buyer from selling goods, including those delivered to the Buyer in the future, for the amount of his resale price to the buyer. The Buyer shall also assign all his rights to RVT. This assignment shall also cover the Buyer's accounts receivable from reselling the goods, if these have been entered into a running account with his customers. In doing so it is immaterial whether the goods are sold separately, or together with other goods. A separate declaration to this effect shall not be required for each individual case. In spite of the assignment having been made, the Buyer shall be entitled to collect his accounts receivable from the resale of the goods delivered by RVT. At its discretion, RVT shall at all times be entitled to disclose the fact that the goods have been assigned to RVT. The Buyer shall not be allowed to assign or pledge these accounts receivable.

The Buyer shall be obliged to store the goods subject to the retention of title by Rauschert properly and free of charge and to take out sufficient and proper insurance cover for them. The Buyer is not allowed to pledge or transfer ownership of the goods by way of security.

The securities provided in favour of RVT shall secure all claims of Rauschert arising from the business relationship. Where the value of the securities due to RVT exceeds the claims of RVT by more than 20%, then the Customer shall be entitled to demand that RVT release a proportionate part of the securities, whereby this shall only refer to the oldest goods delivered under retention of title.

If an execution is levied by a third party on the goods subject to retention of title by RVT and held by the Buyer, the third party levying an execution is consequently to be notified immediately of the retention of title in existence. RVT is to be notified of this levy of execution straight away. All the costs incurred as a result of the levy of execution are to be borne by the Buyer.

If the Buyer falls into arrears with the fulfilment of his payment obligations to RVT, or if circumstances become known which make it appear that an account receivable payable to RVT is jeopardised within the meaning of Number 3 Section 4, Rauschert shall consequently be entitled to collect the goods subject to its retention of title and to enter the business premises of the Buyer for these purposes. If RVT collects its goods all the costs, including those of redelivering the goods, shall be borne by the Buyer. In this case the Buyer shall have to compensate RVT for all reductions in value of the goods, even for those reductions for which the Buyer is not to blame. RVT shall reserve the right to assert a claim for additional losses. At the demand of RVT, the Buyer must submit a list of the goods subject to retention of title by RVT. In addition to this, a list must be handed over to RVT showing accounts receivable for the goods already sold which have been assigned to RVT together with the name, address of the debtor and the amount of the account receivable. At the demand of RVT, the Buyer shall have to notify the debtor that he has assigned his account receivable to RVT. RVT is at liberty to make this notification himself as well.

RVT shall be entitled to convince itself that the goods subject to its right of retention do exist and to have an agent enter the business premises concerned of the Buyer. The Buyer must allow RVT and / or his agent to inspect his accounts for the goods subject to extended retention of title and which have been sold on.

### **7. Liability and defects**

Liability will only be accepted by RVT in cases in which manufacturing defects or material defects are proven. It shall be at the option of RVT as to whether such defects are rectified by supplying a replacement part or by rectifying the defect after it has been returned free of charge to the factory or to another specified place. Parts not supplied by RVT which are in the appliance, and for which a separate warranty statement shall be enclosed, shall be covered by the warranty of the manufacturer and shall be dealt with in accordance with the latter's terms and conditions of business. RVT's obligation under warranty shall expire if the goods have suffered as the result of improper storage or treatment or they have been subject to unauthorised tampering by the Buyer or by a third party. The appliance number or identification plate must not be removed.

Defects must be notified in writing within 30 days from receipt of the goods in Europe and within 60 days from receipt of the goods overseas as part of the duty in a mercantile sale to inspect the goods straight away and give notification of defects. Notifications of defects can only be accepted if it can be proven that the goods were unusable or that their fitness for use was impaired considerably prior to the passing of risk.

Cancellation and reduction of price shall not be allowed as a matter of principle. It is agreed that they shall be replaced with the defect being rectified.

The Buyer must give RVT the time required or the opportunity to rectify the defect. If the Buyer refuses to do so, RVT shall be exempted from its liability for defects.

If it is not possible to rectify the defects within a reasonable period of time, the Buyer shall consequently be entitled to withdraw from the purchase. The goods shall only be taken back if they are returned undamaged in their original packaging.

The Buyer shall not be able to assert additional claims for compensation for damages or lost profit.

### **8. Repairs**

A warranty shall only be accepted for repairs if a defect report has been submitted. Notification of defective repairs must be made within 2 weeks from receipt of the goods. Number 7 shall apply accordingly for claims for compensation.

### **9. Place of fulfilment and place of jurisdiction**

It is hereby agreed in writing that RVT's main office in Steinwiesen shall be the place of fulfilment. The place of jurisdiction for all legal disputes shall be the local court in Kronach or the regional court in Coburg.

These terms and conditions of business shall be governed by German law. The UN law on sales shall not apply.

### **10. Validity**

If any individual terms and conditions should be legally invalid, this shall not affect the validity of the remaining terms and conditions.

These general terms and conditions are valid since 01.04.2007 and replace any former terms and conditions agreed to date.

RVT Process Equipment GmbH,  
Steinwiesen, Germany  
being valid since 01.04.2007