General Terms and Conditions of
Uniflex-Hydraulik GmbH
Robert-Bosch-Strasse 50-52
D-61184 Karben
(except Uniflex of America LLC)

I. General

1. All deliveries and services shall be based on these General Terms and Conditions as well as separate contractual agreements, if any. No other terms or conditions proposed by the buyer shall become part of the contract even in the event of order acceptance.

A contract is concluded upon the confirmation of order by the supplier.

The supplier reserves property rights and copyrights in respect of samples, cost estimates, drawings and similar information in physical and non-physical form – including in electronic form. Such information shall not be made accessible to third parties.

II. Price and payment

1. Unless otherwise agreed, the prices are ex-works, including loading at our factory, but excluding packaging and unloading. VAT will be added at the statutory rate.

2. Unless otherwise agreed, payment shall be made without any deductions to the account of the supplier net within 30 days.

3. The buyer is only entitled to withhold payments or set payments off against counter-claims insofar as such counter-claims are uncontested or legally established.

III. Delivery period, delay in delivery

1. The delivery period shall be as stipulated in the agreements between the parties to the contract. Compliance with the delivery periods by the supplier presupposes that all commercial and technical matters between the parties to the contract have been clarified and that the buyer has complied with all obligations incumbent upon him, such as provision of the required public authority certificates or approvals or the making of a down-payment. If this is not the case, the period of delivery shall be prolonged appropriately. This shall not apply insofar as the supplier is responsible for the delay.

2. Compliance with the delivery period shall be subject to the proviso of correct and timely deliveries to the supplier himself. The supplier shall inform about likely delays as soon as possible.

3. The period of delivery shall be deemed to have been complied with if the delivery item has left the supplier’s works or notice of readiness for shipment has been submitted to the buyer by expiry of the period of delivery. If acceptance is required, the date of acceptance or, alternatively, the date of notification of readiness for acceptance shall be the applicable date – except for refusal of acceptance for a justifiable reason.

4. If shipment or acceptance of the delivery item is delayed for reasons for which the buyer can be held responsible, he will be billed with the costs incurred by the delay, starting one month after notification of readiness for shipment or readiness for acceptance.

5. If non-compliance with the period of delivery is due to force majeure, to industrial disputes or to other events which the supplier is unable to influence, the period of delivery shall be prolonged appropriately. The supplier shall inform the buyer of the start and end of such circumstances as soon as possible.

6. The buyer may withdraw from the contract without notice if complete performance becomes definitively impossible for the supplier prior to the passage of risk. In addition, the buyer may withdraw from the contract if it becomes impossible to perform part of a purchasing order and he has a justified interest in refusing that partial delivery. If this is not the case, the buyer shall pay the contract price applicable to the partial delivery. The same shall apply in the case of inability to perform on the part of the supplier. For the rest, Section VII.2 shall apply. If the impossibility of performance or the inability to perform occurs during default of acceptance or if the buyer is solely or to a large extent primarily responsible for these circumstances, he shall remain obliged to render compensation.
7. If the supplier is in default and this results in damage to the buyer, the latter shall be entitled to demand a flat-rate compensation for delayed performance.
This shall amount to 0.5% for every full week of the delay, in total, however, a maximum of 5% of the value of that part of the overall delivery package which cannot be used in good time or as agreed in the contract as a result of the delay. If the buyer grants the supplier an appropriate period of grace for performance after the due date—allowing for statutory exceptions—and if this period of grace is not complied with, the buyer shall be entitled, within the framework of legal regulations, to withdraw from the contract. Further claims resulting from default in delivery shall be governed solely by Section VII.2 of these General Terms and Conditions.

IV. Passage of risk, acceptance

1. The risk shall pass to the buyer when the delivery item has left the works even if partial deliveries are made or the supplier has agreed to provide additional services, e.g. payment of shipping costs or performance of delivery and installation. If acceptance is required, the acceptance date shall be decisive for the passage of risk. Acceptance shall be carried out without delay on the acceptance date or, alternatively, upon notification of readiness for acceptance from the supplier. The buyer may not refuse acceptance on the ground of an insignificant defect.

2. If shipment and/or acceptance are delayed or not performed as a result of circumstances for which the supplier cannot be held responsible, the risk shall pass to the buyer as of the day of notification of readiness for shipment or acceptance. The supplier undertakes to take out the insurance demanded by the buyer at the expense of the buyer.

3. Partial deliveries shall be permitted as far as the buyer can be reasonably expected to accept them.

V. Retention of title

1. The supplier reserves ownership of the delivery item until all payments from the supply contract have been received. In case of resale, the buyer shall assign his claims towards his customer to the supplier up to the amount of the supplier’s claim against the buyer.

2. The supplier shall be entitled to insure the delivery item against theft, damage as a result of breakage, fire and water as well as other damages unless the buyer can prove that he has taken out such insurance himself.

3. In the event of attachments as well as seizure of the delivery item or other dispositions by third parties, he shall notify the supplier immediately.

4. In the event of a conduct of the buyer in breach of the contract, in particular in the case of default in payment, the supplier shall be entitled to take back the delivery item after sending a reminder, and the buyer shall be obliged to hand over the delivery item.

5. The supplier may only demand that the delivery item be given back on the basis of retention of title if he has withdrawn from the contract.

6. The application for initiation of insolvency proceedings shall entitle the supplier to withdraw from the contract and to demand immediate return of the delivery item.

VI. Claims for defects

The supplier is liable for defects of quality and title under exclusion of further claims—subject to the proviso of Section VII—as follows:

Defects of quality

1. All parts which turn out to be defective as a result of a circumstance arising prior to the passage of risk shall either be reworked or replaced by a non-defective item at the discretion of the supplier. Such defects shall be reported immediately and in writing to the supplier as soon as they are established. Parts replaced shall become the property of the supplier.

2. In coordination with the supplier, the buyer shall allow the supplier the required time and opportunity to perform all rework operations and replacement deliveries deemed necessary by the supplier; otherwise, the supplier shall be released from liability for the consequences arising therefrom. The buyer shall be entitled to remedy the defect himself or to have it remedied by third parties and to demand reimbursement of the expenditure incurred from the supplier only in urgent cases of endangerment of operational safety or to prevent disproportionately high damage or loss of which the supplier shall be informed immediately.

3. If the complaint proves to be justified — the supplier shall bear the costs of the replacement part, including shipment thereof, in respect of the costs directly incurred by rework or replacement delivery. He shall also bear the costs of de-installation and installation as well as the costs of the employment of the required fitters and assistants, including travel expenses, to the extent that this does not cause any unreasonably high expenses on the supplier’s part.

4. Within the framework of legal regulations, the buyer shall be entitled to withdraw from the contract if the supplier — considering legal exceptions — has failed to take action within an appropriate period of grace set for rework or replacement delivery required due to a defect of quality. In the event of only a minor
defect, the buyer shall merely be entitled to a reduction of the contract price. Otherwise the right to a reduction of the contract price shall be excluded. Further claims shall be governed by Section VII. 2 of these General Terms and Conditions.
5. No warranty is assumed in particular in the following cases: inappropriate use or improper use, incorrect installation or assembly and/or commissioning by the buyer or a third party, natural wear and tear, incorrect or negligent handling, improper maintenance and servicing, unsuitable operating materials, defective construction work, unsuitable building site, chemical, electrochemical or electrical influences – to the extent that the supplier is not accountable for them.
6. If the buyer or a third party rectifies defects improperly, the supplier shall not be liable for the consequences resulting therefrom. The same shall apply to modifications to the delivery item performed without the prior consent of the supplier.

**Defects in title**

7. If use of the delivery item leads to a violation of industrial property rights or copyrights in Germany, the supplier shall, as a matter of principle, at his own expense obtain the right of use for the buyer or shall modify the delivery item in a manner acceptable for the buyer to such an extent that such violation of property rights no longer exists. If this is not possible under reasonable commercial conditions or within an appropriate period, the buyer shall be entitled to withdraw from the contract. Under the aforesaid conditions, the supplier shall also be entitled to withdraw from the contract. Furthermore, the supplier shall release the buyer from undisputed claims of the owner of the property rights or rights which have been adjudicated.

8. The obligations of the supplier set forth in Section VI. 7 shall be final for the case of violation of industrial property rights or copyrights subject to the proviso of Section VII.2. These obligations shall exist only if
   a. the buyer informs the supplier immediately of asserted violations of property rights or copyright,
   b. the buyer assists the supplier to an appropriate extent in the defense of asserted claims or enables the supplier to perform the modification measures pursuant to Section VI. 7,
   c. all defense measures, including out-of-court settlements, are reserved for the supplier,
   d. the defect in title is not based on an instruction given by the buyer, and
   e. the infringement of rights was not caused by the buyer having made unauthorized modifications to the delivery item or used the delivery item in a manner not pursuant to the contract.

**VII. Liability**

1. If, through the fault of the supplier, the delivery item cannot be used by the buyer according to the contract due to a complete or partial failure to implement suggestions before or after conclusion of the contract or as a result of the infringement of other contractual ancillary obligations – in particular instructions for the operation and maintenance of the delivery item – the provisions of Section VI and VII.2 shall apply accordingly, to the exclusion of all further claims of the buyer.

2. Regardless of the legal reasons, the supplier shall be liable for damages to the delivery item itself only
   a. in the case of intent
   b. in the case of gross negligence of the owner / corporate agents or senior executives,
   c. in the case of culpable injury to life, limb or health.
   d. in the case of defects which he has maliciously concealed or the absence of which he has guaranteed,
   e. in the case of defects on the delivery item insofar as liability is granted for personal injury or damage to property on privately used items pursuant to product liability legislation.

   In the case of a culpable violation of essential contractual obligations, the supplier shall be liable even for gross negligence of non-executive employees and for negligence, in the latter case liability being limited to the extent of a reasonably foreseeable damage typical of such contracts. Further claims are excluded.

**VIII. Statutory limitation**

1. All claims of the buyer – irrespective of the legal reasons – shall become statute-barred after 12 months. The statutory periods of limitation shall apply to claims for damages pursuant to Section VII. 2 a - e.

2. The claims in accordance with section X. shall not become statute-barred until the expiry of a period of two years after the final termination of use of the equipment. The two year suspension period begins at the earliest upon receipt of the buyer's written notification regarding termination of use by the supplier.

**IX. Use of software**

If the scope of delivery includes software, the buyer shall be granted a non-exclusive right to use the supplied software, including its documentation. It is supplied for use on the delivery item for which it is intended. Use of the software on more than one system is prohibited.

The buyer may only copy, revise, translate or convert the software from the object code into the source code within the legally permitted scope (§§ 69 a ff German Copyright Act [UHG]). The buyer undertakes not to remove manufacturer's information—in particular copyright notes— or to modify this information without the supplier’s prior express consent.

The supplier and/or the software supplier retain all other rights to the software and the documentation, including the copies. Sublicensing is not permitted.
X. Provisions for the return of products according to the Electrical and Electronic Equipment Act (ONLY VALID IN THE EU)

1. The supplier will take back those products bought by the buyer from the supplier which are covered by the scope of the German “Elektro- und Elektronikgerätegesetz (ElektroG)” (Electrical and Electronic Equipment Act) for disposal according to clause 10 paragraph 2 (810 II) ElektroG. For every device taken back for disposal, the supplier will only receive a flat rate for expenses of € 20 plus VAT at the statutory rate from the buyer. In return, the buyer shall bear all shipping and handling charges and the transportation risk back to the supplier (UNIFLEX HYDRAULIK GmbH, Robert-Bosch-Str. 50-52, 61184 Karben, Germany). (Only applicable to machines sold since 12 August 2005.)

2. The buyer shall contractually oblige any commercial third party to whom he passes goods received from the supplier to enter into a commitment as set out in section X. clause 1 of these General Terms and Conditions and to impose the same obligation for each further transfer of these goods. If the buyer fails to commit the third parties as set out in section X, the buyer is obliged to take back the goods delivered after termination of use at his own costs and to dispose of them in accordance with statutory obligations.

XI. Customs-related security and safety requirements; proof of export; origin of goods

1. Customs-related security and safety requirements
   The buyer undertakes to comply with the security and safety requirements for certification as an “Authorized Economic Operator” (ZUR/REO) adopted by the Commission of the European Union and the German customs authorities. Unless the buyer himself has been granted authorized economic operator status or has applied for authorized economic operator status, he undertakes to provide the supplier with a separate declaration guaranteeing compliance with the security and safety requirements in accordance with the template of the customs authorities; the template is available for download from the German customs authorities’ website (without guarantee):
   The buyer undertakes to notify the supplier immediately if he or any person acting for him in the performance of the contract fails to comply with the security and safety requirements or if compliance with those requirements can no longer be guaranteed.

2. Proof of export
   If a buyer registered in a country outside the Federal Republic of Germany or the buyer’s authorized agent collects the goods and transports or ships them abroad, the buyer shall furnish the required proof of export by providing the supplier with the appropriate documentation that complies with the requirements of the customs law and value added tax law of the Federal Republic of Germany or the Community Customs Code. If the buyer fails to furnish such proof of export within thirty calendar days after delivery of the goods, the buyer shall be required to pay sales tax on the invoice amount at the sales tax rate then applicable to deliveries made within the Federal Republic of Germany.

3. Origin of Goods
   Principally, there is no legal entitlement to the delivery of goods from the European Union with preferential origin status. If and as far as preferential agreements have been made between the European Union and non-EU countries, preferential origin status will only be granted if this has been explicitly agreed in the contract.

XI. Applicable law, place of jurisdiction

1. Only the law of the Federal Republic of Germany applicable to the legal relationships of domestic parties shall apply to all legal relationships between the supplier and the buyer.

2. The place of jurisdiction shall be the court of jurisdiction for the headquarters of the supplier. However, the supplier shall be entitled to bring action at the location of the buyer’s headquarters.

Karben, 22 April 2013
UNIflex-Hydraulik GmbH