

LUKAS Standard Terms and Conditions of Export

1 General Provisions

1.1 All orders placed with us are subject to these Terms and Conditions. Conditions of Buyer and any deviations from our Standard Terms and Conditions are valid and effective only if they are agreed to in writing by us. Neither our failure to answer the remittance of Buyer's conditions nor the execution of an order itself shall be regarded as our acceptance of Buyer's conditions. For orders less than EUR 1.500,00 net no order confirmation will be issued.

1.2 At the latest with the acceptance of our goods or services the Buyer accepts these Terms and Conditions.

2 Quotation, Orders

2.1 Our offers are not binding and may be withdrawn by us at any time. Orders of Buyer shall bind us only when we agree thereto in writing. Our written order confirmation shall determine the contents of each contract. Collateral agreements, changes, amendments etc. require our written confirmation. Illustrations, information (especially information concerning weights and measures), technical data and relating DIN-, VDE-1 or any other industrial standards and designs stated in our price lists, leaflets, budgetary offers or quotations are approximations only and can be charged at any time unless we explicitly assure such data in writing.

2.2 We assume no liability with regard to, and solely Buyer shall be responsible for information and specifications supplied and material furnished by Buyer.

3 Delivery Time and Part Shipment

3.1 Unless specifically agreed to in writing, all delivery periods and dates are approximations only. In addition, all delivery periods and dates are subject to our receiving in time of all information and data necessary to our execution of the order in question.

3.2 Delivery date is kept when the object of agreement has left the plant by its expiration or when the Buyer or its designated agent has been informed of the goods being ready for shipment / pick-up.

3.3 Our delivery period and date are extended proportionally if goods cannot be supplied and for services not be rendered due to delays resulting from reasons beyond our control including strikes, lockouts, traffic disturbances or any other unforeseeable impediments including Acts of God with us or our sub-suppliers, to the extent that it can be proven that these obstacles have an essential influence in performing our obligations. The same rule shall apply where we are already in delay in the execution of the agreement. If as a result of the according postponement of the delivery date the cost situation reflected in the price in the order confirmation becomes reasonably unacceptable for us or the execution of the contract cannot be reasonably be expected from us we are entitled to fully or partly withdrawn from the contract without being liable for damages.

3.4 If we are in default and the Buyer grants us a reasonable respite declaring explicitly to reject acceptance at the end of the period granted and we do not keep this term, the Buyer is then entitled to withdraw from the contract.

3.5 If the Buyer incurs any loss as a result of a default imputable to us, he is entitled to claim demurrage excluding any further claims. Demurrage charges for each full week of default amount to 0.5%, but not exceeding 5% in total, of the item with which we are in default.

3.6 The Buyer can - while excluding any further claims - withdraw from the contract if it becomes impossible for us to execute his order. This holds also true for an initial impossibility. He can withdraw from the contract when it becomes impossible for us to supply one part of the items ordered if he has a justified interest in rejecting a partial delivery. In all other cases his right to withdraw is limited to the part concerned if due to such a limitation of the right to withdraw the remaining contract is not negatively influenced when judged in an objective way.

3.7 Each withdrawal has to be declared in writing.

3.8 We are entitled to execute part shipments.

4 Prices

4.1 Prices are to be understood ex works, transport packing at cost extra, and do not include any fees for site assembly, installation, training or putting into operation. Value Added Tax will - where applicable - be charged extra at the rate in force at the date of invoice.

4.2 Trade terms used herein are to be interpreted where necessary in accordance with the latest INCOTERMS of the International Chamber of Commerce, presently: 2010, in effect at the date order confirmation.

5 Shipment

5.1 Shipment ex works is at Buyer's risk. This does also apply if transport is realized in full or in part with our means of transportation. Packing and shipping instructions of the Buyer will be adhered to only when agreed upon in writing.

5.2 Cases, latticed boxes, cassettes and palettes have - unless charged and paid for in full - to be returned to us free of charge. One-way packaging material will be charged at cost.

5.3 If shipment is delayed at the request of or caused by the Buyer the risk for the goods is passed on to the Buyer the moment he is informed of the goods being ready for shipment. We are entitled to charge the Buyer for such storage in our plant all accrued cost at a minimum of 1 % of the invoice amount for each full month of storage. Furthermore we may, at our discretion, dispose of the goods in storage if a reasonable period of grace has expired and later ship such goods within an adequate period.

6 Payment

6.1 Unless otherwise agreed upon in writing Buyer shall open within 2 weeks from receipt of our order confirmation an irrevocable Letter of Credit in our favour, in the currency stated in the order confirmation, at a major German bank, payable upon first presentation of shipping documents at the counters of the confirmation bank. All expenses for the Letter of Credit shall be for Buyer's account. The Uniform Customs and Practice for Documentary Credits of the ICC, Paris, shall apply. If receipt of Letter of Credit is delayed, new delivery times may have to be fixed.

7 Security

7.1 In case other payment terms than under 6.1 have been agreed upon in writing between us and the Buyer, and it becomes known to us that the financial situation of the Buyer has deteriorated considerably, we may demand, notwithstanding any

other justified claims a prepayment or sufficient security prior to shipment ex works. Upon Buyer's failure to promptly make prepayment or provide sufficient security, as demanded by us, we may cancel the contract without any liability for damages.

8 Title

8.1 In case of special payment terms, other than those listed under 6.1, title and beneficial ownership of the goods shall remain with us until Buyer has paid the full purchase price of such goods and of all other sums whatsoever due to us, inclusive of possible claims based on drafts, claims of third parties in our hands or claims of related companies (according to our annual report). If in the country of the Buyer, title and beneficial ownership as per German laws are not accepted, other rights shall remain with us of such goods, at which Buyer shall at any time assist us in protecting our title and beneficial ownership. We are entitled to insure the goods to be supplied at Buyer's cost, unless Buyer proves to us that he is insured.

8.2 In case of delayed payment, insecurity of the financial situation or deterioration of Buyer's financial situation, we are entitled to request the return of the unpaid goods.

8.3 Property reservation and securities to which we are entitled remain in force until we have been released from any liabilities into which we have entered in the interest of the Buyer.

9 Right of pre-emption

9.1 The Buyer concedes to us the right of pre-emption on his stock of our products for all cases of insolvency as well as for non agreed use.

10 Warranty and other liabilities

10.1 This part governs the extent to which we warrant our goods and limit our liabilities in all cases of deficiencies in manufacture, assembly, delivery, maintenance and execution of other contractual obligations.

10.2 We warrant the goods to conform with current LUKAS engineering standards. Capacity and performance of goods are only warranted in accordance with our written and explicit statements in this regard. No claims can be brought against us due to changes in design or construction of the goods neither prior nor after their delivery.

10.3 We do not accept any claims for nor do we warrant any claims on any goods which have been subjected to improper storage, operation or maintenance, for abuse, failure of normal operation procedures, damage due to natural wear and tear. We also do not warrant any material placed at our disposal by the Buyer.

10.4 Our liability and the exclusive remedies to the Buyer for non-observance of this warranty shall be limited to repair or replacement of the defective goods or parts thereof or issuance of a credit in Buyer's favour in the amount of the price at which the goods were purchased, the option to be chosen at our sole discretion. Buyer shall, at our request, return to us the defective goods or parts thereof all charges paid. In case of a justified claim under this part and we decide to repair or replace the goods, we will bear the cost of repair or replacement and the return shipment cost to CIF/ CIP destination.

Only in urgent cases of risking works security and for protection against further damages, Buyer is entitled to remedy the fault at his own expense after having informed us. We credit the Buyer for the maximum value of such a replacement down by us. We warrant repaired or replaced goods to the same extent as the originally shipped goods. Buyer is obliged to grant us the possibility to repair. If we cannot repair or replace, the Buyer is entitled to cancel the agreement after an adequate time of extension has elapsed. There are no other warranties, expressed or implied, and we shall not have any liability or obligation under this warranty other than as specifically stated in these Terms and Conditions or as otherwise specifically agreed by us in writing.

10.5 If the goods delivered cannot be used by the Buyer due to our breach of obligations - especially concerning operating and maintenance instructions - our liability is limited to the provisions set forth in part 10.4 and 11 of these Terms and Conditions. A liability concerning consulting services comes into force only if a separate written agreement with adequate compensation has been signed by the Buyer and us.

10.6 All claims based on and related to this warranty must be brought to our attention within 6 months from the date of putting into operation in case of a one-shift operation (3 months in case of a multi-shift operation, but in any case within 12 months from the date of delivery ex works or our information that goods are ready for shipment, whatever comes first.

11 Liability for compensation

11.1 Unless specifically stated otherwise in these Terms and Conditions our liability for incidental or consequential damages is limited to those resulting from wilful conduct or gross negligence of management.

12 Drawings, other documents/data

12.1 We retain all industrial property rights, including copyright, to our cost estimates, drawings and other documents that may be transferred to Buyer. These documents may not be used for any purposes other than those stipulated nor shall they in any case be made available to third parties. All individuals and legal entities, which have contractual relationship with LUKAS Hydraulik GmbH, are in duty, to keep their knowledge about internal information and data of the company strictly confidential and not to transmit to third parties - no matter how they became aware of.

13 Court of Jurisdiction / Applicable Law

13.1 Any dispute arising out of or in connection with these Terms and Conditions shall be submitted to the court jurisdiction of the court of Erlangen. The foregoing to the contrary, we shall be entitled to sue before any court having jurisdiction over the Buyer. These Terms and Conditions shall be construed, interpreted and applied in accordance with the laws of the respective court of jurisdiction excluding any Uniform Code on International Sales.

14 Protection of Data

14.1 Data related to business transactions concerning the Buyer will be utilized in accordance with the regulations defined by law and may be utilized also by our subsidiaries.

15 Salvatory Clause

15.1 These Standard Terms and Conditions of Export will remain binding also of individual issues are found to be legally inoperative. Legally inoperative issues will be replaced by legally operative issues which comes closest to the inoperative ones.

LUKAS Hydraulik GmbH

An IDEX Fire & Safety Business

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