



HYDAC ACCESSORIES GMBH
HYDAC COOLING GMBH
HYDAC DRIVE CENTER GMBH
HYDAC ELECTRONIC GMBH
HYDAC FILTERTECHNIK GMBH
HYDAC FILTER SYSTEMS GMBH
HYDAC FLUIDTECHNIK GMBH
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HYDAC PROCESS TECHNOLOGY GMBH
HYDAC PTK PRODUKTIONSTECHNIK GMBH
HYDAC SYSTEM GMBH
HYDAC SERVICE GMBH
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HYDROSAAR GMBH

General Conditions of Sale and Delivery

GENERAL

Contracts of sale and other supply contracts are concluded on our General Conditions of Sale and Delivery below. These are valid exclusively vis-à-vis companies and public authorities. By accepting our offer the buyer/customer (hereinafter called Customer) declares recognition of our General Conditions of Sale and Delivery. We expressly oppose any deviations from our General Conditions of Sale and Delivery; these shall only be valid if we have agreed to them in writing. Our General Conditions of Sale and Delivery also apply to future contracts of sale and other supply contracts, even when not expressly referred to.

I. OFFERS

Offers, including their accompanying items of documentation, such as illustrations, drawings and measurements are only approximate and not binding. We reserve rights of ownership and copyright of cost estimates, drawings and other documents. They may not be made available to third parties.

II. SCOPE OF SUPPLY/WASTE DISPOSAL

1. Our written acknowledgement of order governs our supplies. Protection or safety devices are only included if agreed in writing. Additional stipulations and amendments require our written confirmation to be effective.
2. We are entitled to make partial deliveries.
3. Electrical accessory equipment of other suppliers that accompany our products can be returned via the official way of disposal (ÖrE). The manufacturers assume the duties related to the return according to the German Electrical Device Act.

III. PRICES, INVOICING AND PAYMENT

1. Our prices and the amount payable by the customer after execution of the order depend on the general development of prices or values of goods and services on the market that have a direct influence on our total production cost (such as, in particular, collective wage agreements or changes in material prices). Changes (both, increases or reductions) to such preliminary expense will be passed on to our customers to the full extent in as far as they have an effect on our prices as cost element. On the customer's request we shall furnish proof of these changes.
2. The invoice will be made out as soon as we have taken all the necessary steps within our sphere of responsibility to fulfil the contract in order that the power of disposal of the delivery item can be transferred to the customer.
3. Payments shall be regarded as having been received when the amounts involved become available to us.
4. If the customer falls into arrears with payments in whole or in part – in the event of agreed payments by instalment with a whole instalment – we can without prejudice to our rights under section VI. 4. withdraw from the contract after a reasonable period of grace has passed without result and demand compensation instead of performance.
5. We charge interest on arrears at 8% above base interest rate. We reserve the right to claim higher damages for default.

6. The customer is not entitled to offset against our accounts receivable, unless his claim for counterbalancing is undisputed or adjudged valid. The customer can claim a right of retention only on account of claims arising from the same contract.

IV. DELIVERY TIME, RESERVATION OF SELF-SUPPLY

1. Indications of delivery time are not binding. Agreed delivery times begin with the sending of our acknowledgement of order, though not before receipt by us of documents, permits, clearances to be obtained by the customer and of an agreed down payment. The delivery time has been observed if the delivery item has left the works by the time of its expiration or notice has been given of readiness for shipment.
2. In the event of force majeure or other events hampering delivery the delivery time shall be extended accordingly.
3. To the extent that we were not supplied by a third-party supplier for reasons beyond our control, we may withdraw from the agreement if we are unable to agree with the Customer on an alternative solution, such as postponing delivery to a later date. We will promptly inform the Customer of any non-delivery or untimely deliveries by our third-party suppliers. In the case we withdraw, we will reimburse the Customer for payments already made, in accordance with legal provisions.
4. The customer may four weeks after a not binding delivery time has been exceeded set in writing a reasonable period of grace. After expiration of the additional period of time without result he may withdraw from the contract with notice in writing to the extent that we are responsible for such delay. If the customer delays shipment, he has from start of the second month to pay us monthly storage costs amounting to 0.5% of the invoice amount.

V. PASSAGE/ACCEPTANCE OF RISK/LOGISTICS MANUAL

1. We supply ex works. If the customer is a merchant as defined by the German Commercial Code, risk passes to him with notice of readiness for shipment, but not later than at the time of handover to the forwarder/carrier. Risk passes to other customers with handover of the item to the forwarder/carrier. If requested by the customer we shall insure property at his expense against breakage and damage in transit and fire and water damage. Unless the customer arranges transport by himself, we will commission the carrier on behalf and at the expense of the customer.
2. The customer shall be entitled to reject acceptance of the item only if it obviously differs from the order.
3. Our Logistics Manual, which may be called up on the Internet at www.hydac.com→Support→Container Management, is an integral part of the contract.

VI. RESERVATION OF OWNERSHIP

1. We reserve ownership to merchandise supplied by us until receipt of all payments due from the contract in question. If the customer is a merchant, we reserve ownership of all merchandise supplied by us until receipt of all payments arising from the business relation with the customer.
2. Processing of merchandise supplied and still owned by us is always by our order, without obligations arising therefrom for us. If the merchandise owned by us is mixed, blended or joined with other items, the customer immediately assigns his



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rights of ownership or co-ownership of the new item to us and has to keep the item in safe custody for us.

3. The customer may sell the merchandise owned by us in the ordinary course of business only if he is not in arrears with payment. On signing the contract he shall by way of security assign to us in full the amounts due from his customer with all accessory rights from the sale or for some other legal reason. The customer remains entitled to collect the account receivable as long as he is not in default towards us.
4. During the duration of the reservation of ownership the customer is entitled to possess and use the delivery item, provided he meets his obligations arising from the reservation of ownership and is not in default with payment. If the customer defaults or does not meet his obligations in connection with the reservation of ownership, we can rescind the contract after a reasonable period of time granted by us has expired without result and claim the delivery item back from the customer.
5. Merchandise subject to reservation of ownership may be pledged, assigned as security, leased or passed to third parties only with our written consent.
6. In the event of third parties having access to merchandise subject to reservation of ownership, in particular in the case of seizure, the customer shall notify us immediately in writing and to advise the third party of our reservation of ownership. The costs for the actual and legal pursuance of our ownership by way of security shall be paid by the customer, insofar as they cannot be obtained from third parties.

VII. WARRANTY/LIABILITY FOR MATERIAL DEFECTS

We are liable as follows for defects of the delivery item, to the exclusion of further claims notwithstanding section IX:

1. The customer shall inspect goods immediately upon their receipt and notify us of any defects immediately in writing. In the event that the delivered good was defective at the time of passing of risk, we are entitled at our choice to remedy the defect or supply a replacement. Replaced parts will become our property and shall be returned to us.
2. The customer shall be obliged to allow us to eliminate the defect(s) involved, in particular, shall grant us access to item(s) supplied that are in its possession.
3. The customer is not entitled to remedy defects himself or have them remedied by third parties, unless we are in default with remedying the defect or he is forced to remedy the defect due to our default with regard to the rectification of the defect or imminent danger. In such cases, remedying the defects involved shall be handled exclusively by trained, specialist personnel employing original replacement parts.
4. If the repairs or replacements fail to produce the desired results for reasons for which we are responsible or if we fail to meet a deadline for performance for reasons for which we are responsible, the customer may at his discretion reduce the contractual price or rescind the contract pursuant to the relevant statutory provisions.
5. The customer shall not be entitled to enter any claims for alleged defects if it has violated the terms or conditions stipulated under section VII. 2. or section VII. 3. hereof.
6. No claims for alleged defects shall be accepted by us for improper assembly, start-up, usage, handling, storage, maintenance, repair, restoration, or modification of the item(s) supplied by the customer or third parties, for damage to the item(s) supplied due to normal wear and tear, employment of unsuitable operating supplies, or for other circumstances attributable to the customer or third parties. We assume no

liability for the suitability for use of the item(s) supplied or its/their suitability for incorporation into any system, or for interfaces to any systems. In the case of prototypes, our liability for the results of their design and development shall terminate upon their being released for production.

VIII. EXPIRY OF CLAIMS

All claims on the part of the customer will expire one year after the date on which risk is transferred. Repairs shall have no effect on the expiration period. The statutory periods shall apply for wilful or fraudulent conduct as well as for claims under product liability legislation. The statutory periods shall also apply in the event of culpable injury or death.

IX. LIABILITY

1. In the absence of any provisions to the contrary herein, all liability shall be excluded regardless of its reason. We shall not be liable for damage not exhibited by the delivered goods themselves. In particular, we shall not be liable for lost profit or other financial loss sustained by the customer.
2. This exclusion of liability shall not apply to gross negligence or wilful misconduct, any faults fraudulently concealed or whose absence was guaranteed or injury or death.
3. If we negligently breach any material contractual obligation, our liability shall be limited to foreseeable loss.
4. Claims due to the Product Liability Act shall remain unaffected.

X. ENTITLEMENT TO REFUSE TO PROVIDE SERVICES

We shall be entitled to refuse to provide services in the event that, and to the extent that, providing them shall be unreasonable, due to circumstances beyond our control. In particular, our providing services shall be deemed unreasonable whenever they are to be provided in a country, for which the Federal Republic of Germany's Ministry of Foreign Affairs has issued a travel warning or safety instructions representing a travel warning.

XI. MISCELLANEOUS

The place of performance shall be the registered office of our company. This is also the exclusive place of jurisdiction for all disputes arising from the business relations, if the customer is a merchant. However, we may commence proceedings before the courts of law holding jurisdiction for the customer's domicile. The legal relations between the customer and us shall be subject solely to the law of the Federal Republic of Germany under the exclusion of the UN Convention on Contracts for the International Sale of Goods.

The customer agrees to be bound by our Business code, which may be called up on the Internet at www.hydac.com→Company→Business code.

If any of the provisions contained herein is ineffective or void, this shall not affect the validity of the remaining provisions.